FISCAL YEAR 2017 OPERATING BUDGET

FISCAL YEARS 2018 TO 2022 FINANCIAL PROJECTIONS

Innovation Integration SEPTA Renewal



Governor's Award for Environmental Excellence 2016





SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY



The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Southeastern Pennsylvania Transportation Authority for its annual budget for the fiscal year beginning July 1, 2015. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communication device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

Southeastern Pennsylvania Transportation Authority

Board Members

Chairman
Pasquale T. Deon, Sr.

Vice-Chairman
Thomas E. Babcock

Bucks County
Pasquale T. Deon, Sr.
Honorable Charles H. Martin

Chester County
Kevin L. Johnson, P.E.
William M. McSwain, Esquire

Delaware County
Thomas E. Babcock
Daniel J. Kubik

Montgomery County
Kenneth Lawrence, Jr.
Robert D. Fox, Esquire

City of Philadelphia
Beverly Coleman
Clarena I.W. Tolson

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Honorable Dwight E. Evans

Senate Majority Leader Appointee
Honorable Stewart J. Greenleaf, Esquire

House Majority Leader Appointee
Honorable Michael A. Vereb

Senate Minority Leader Appointee
William J. Leonard, Esquire

House Minority Leader Appointee
John I. Kane

SEPTA Officers

General Manager
Jeffrey D. Knueppel

Deputy General Manager - Treasurer
Richard G. Burnfield

General Counsel
Gino J. Benedetti, Esquire

Controller to the Board
Stephen A. Jobs

Secretary to the Board
Carol R. Looby

Southeastern Pennsylvania Transportation Authority
1234 Market Street • 10th Floor • Philadelphia, PA 19107-3780
Office (215) 580-7333

Chairman
Pasquale T. Deon, Sr.

Vice Chairman
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Beverly Coleman
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William J. Leonard
Charles H. Martin
William M. McSwain
Clarena I.W. Tolson
Michael A. Vereb

General Manager
Jeffrey D. Knueppel, P.E.

To: Pasqualé T. Deon, Sr., Chairman

From: Jeffrey D. Knueppel

Subject: Fiscal Year 2017 Operating Budget

Date: August 31, 2016

I am pleased to present to Board Members, customers, and stakeholders the Southeastern Pennsylvania Transportation Authority (SEPTA) Operating Budget for Fiscal Year 2017, which covers the period July 1, 2016 through June 30, 2017. The $1.4 billion Operating Budget maintains existing levels of transportation service and preserves the current fare structure with no fare increase included for the year. The timing for the Phase 1 rollout of the SEPTA Key Card and Early Adopters Program and potential impact of a fare increase on customer interest in our new technology fare payment program were the primary factors in the decision to postpone the July 2016 fare increase.

For the 11th consecutive year, SEPTA received the Government Finance Officers Association (GFOA) Distinguished Budget Award. Fiscal Year 2017 also marks the 17th consecutive year that the Authority achieved a balanced budget through continued fiscal discipline and prudent use of resources. These actions confirm our commitment to financial transparency and adherence to best practices in fiscal reporting.

The 2017 budget reflects our business vision and priorities as described in the ***Building the Future*** plan, which defines five areas of strategic effort – **Customer Experience, SEPTA is a Business, Employee Development, Rebuilding the System**, and **Safety as the Foundation.** Among the plan highlights:

Customer Experience

Customers continue to be a major focus, especially in the area of communications. We are building a robust program to deliver information to riders and actively listen and respond to them using a variety of platforms. In September of 2015, SEPTA played an important role in the World Meeting of Families Congress and the visit of Pope Francis to Philadelphia with thousands of frontline and management personnel deployed across our system to greet the crowds; and at the end of July we welcomed delegates volunteers, and media from around the world as Philadelphia was host to the 2016 Democratic National Convention.

SEPTA is a Business

In 2015, our Office of Innovation began working with employees across the organization, to envision ways to enhance our current business practices and explore new avenues to meet the needs of a growing and changing customer base. The roll out of **SEPTA Key** and the introduction of a reloadable contactless chip card represents a new way to attract customers to SEPTA and offers new systems to evaluate ridership trends and demand.

Employee Development

Attracting and retaining talented highly motivated employees is part of our business outlook. Even with all of the job opportunities an operation like SEPTA offers, transit is not always thought of as a traditional choice so we are actively reaching out to high school and college aged students to talk about potential career paths; and we are working to encourage more women to consider working in one of the skilled trades offered within the organization.

Safety as the Foundation

Safety is one of fundamental principles of our industry and a top priority at SEPTA. We have committed to establish a safety first corporate culture for our employees and customers through training and educational programs. I am extremely proud to say that SEPTA is one of a very few transit systems in the US to have begun to operate Positive Train Control (PTC) on portions of our our Regional Rail network.

These fundamentals offer a roadmap for the initiatives that the SEPTA Team is focusing on and describes our objective – continuing to make our transit system strong for the region, our customers, and every SEPTA employee.

The Fiscal Year 2017 budget provides for operating revenue growth from the prior year actual of 1.9%, driven by a slight increase in passenger and shared ride revenue. In Fiscal Year 2016, Regional Rail ridership set an all-time record for the fourth straight year although total ridership for the Authority was 1.2% below the prior year as a result of lower fuel costs and the Papal Visit. As reported by the American Public Transportation Association for every 10% decrease in gasoline prices, there is a 1.8% decrease in transit ridership. Due to school and business closings and significant service operations during the World Meeting of Families Congress and Papal Visit Weekend events, SEPTA experienced a ridership loss of approximately 2.1 million passenger trips. We have set challenging goals to recapture this ridership loss in the current fiscal year.

With labor and fringe costs accounting for approximately 72% of our operating budget, SEPTA will continue to seek ways to contain these costs while negotiating fair and reasonable contracts with the 14 labor Unions whose contracts are set to expire at various times during this fiscal year.

The Authority continues to make significant progress in reducing operating expenses in the areas of injury and damage claims and fuel costs. The payouts for injury and damage claims for 2016 were 38% less than claim payouts five years ago as a result of our extensive video surveillance network. SEPTA has also been able to continue to reduce its fuel consumption with a growing number of diesel-electric hybrid buses, now comprising over 51% of the total bus fleet. As highlighted on our Operating Budget Book cover, SEPTA recently received the Pennsylvania Department of Environmental Protection "Governor's Award for Environmental Excellence" for our wayside energy storage system, which reduces energy consumption and costs in operating the Market-Frankford Line. SEPTA is committed to the Sustainability Program Plan adopted by the SEPTA Board in January 2011 and will continue to advance a comprehensive environmental, social and economic sustainability agenda.

The Fiscal Year 2017 Operating Budget reinforces our commitment to provide the five county region with affordable, convenient, and quality transportation that meets the needs and expectations of our customers and to find new and innovative ways to make our business grow.

SEPTA FY 2017 Operating Budget
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SEPTA"s History

Greater Philadelphia has evolved into a vibrant center of economic growth in the country and the Southeastern Pennsylvania Transportation Authority's (SEPTA) multi-modal transit system has been a catalyst for this development; providing service to three states and giving riders in the region easy access to work, school, healthcare appointments, recreational outings and major shopping destinations. The policy makers' commitment to investing in transportation at the federal, state and local level has enriched the lives of residents, visitors and tourists.

SEPTA was created by the Pennsylvania General Assembly in 1964 as a solution to the need for a regional approach to transit, which would provide needed transportation for passengers, shared services to reduce expenses and greater access to financial markets to help maintain and expand the system. On September 30, 1968, after five years of negotiations, SEPTA acquired the Philadelphia Transportation Company (PTC). PTC was created January 1, 1940 and was responsible for the operation of buses, trolleys, trackless trolleys and subway elevated lines: the Market-Frankford line and the Broad Street line in the Philadelphia area.



SECTION 1 8 XH The Sunday Bulletin PHILADELPHIA Sunday, Sept. 29, 1968

SEPTA to Take Over PTC Tomorrow To Cap Five Years of Negotiations

By EUGENE L. MEYER
Of The Bulletin Staff

Southeastern Pennsylvania Transportation Authority (SEPTA) will take possession of Philadelphia Transportation Co. at noon tomorrow.

In a ceremony in the sixth-floor conference room of the Philadelphia National Bank building, involving exchanges of checks and documents, the nearly five-year effort to acquire the nation's largest private transit firm will come to an end.

PTC is the first system to be acquired by SEPTA, a state agency formed in 1964 to develop and coordinate regional transportation.

The sale price is $47,938,884.36, somewhat less than the $48,227,990 negotiated, because about 8,000 of PTC's 1.7-million shareholders cashed in their stocks at market value, instead of waiting to be paid by SEPTA.

pel buttons immediately but replacement of PTC signs with SEPTA decals will be a more gradual process.

Tomorrow will mark the end of official positions for two transit officials and the beginning of new ones for some others.

Lyons, Reichel Out

Lyons will no longer be a part of PTC under SEPTA ownership. The resignation of M. J. Reichel, outgoing SEPTA general manager, becomes effective tomorrow.

Although about a dozen applications for Reichel's $45,000-a-year job have been received, no successor has yet been chosen.

A SEPTA board resolution, scheduled for approval tomorrow, provides for all PTC employes to retain their present positions, titles and salaries, except the officers.

David N. Phillips, PTC vice president and treasurer, will be-

PTC would asume the $17-million pension obligation, making the price about $38 million, or between $6 and $8 a share.

PTC appealed the Spaeth decision. In July, 1967, the State Supreme Court upheld the lower court. In September, it refused to reconsider its ruling.

In November, PTC appealed its case to the U. S. Supreme Court, but the high court refused to hear it.

Meanwhile, negotiations dragged on through fall and winter, until last February, when Tate brought the two sides together and successfully served as mediator.

The sale price agreed upon includes $22,451,608.46 to pay off PTC's funded debt, and $25,487,275.90 to pay PTC stockholders.

On March 15, both PTC and SEPTA boards agreed to the

In 1983, SEPTA was required to take over all operations of Conrail's passenger railroad to be integrated with the Authority's existing transit services. Conrail, which was federally funded, had originally assumed responsibility for the passenger services of the Pennsylvania Railroad and the Reading Company in 1976. Both railroads went bankrupt due to the decline in the demand for the transportation of coal, the introduction of superhighways and the advance of air travel. After a difficult transition and a 108 day strike by Conrail railroad workers, SEPTA's Regional Rail Division was established. Over the past few years, Regional Rail has outpaced transit in annual ridership growth and is a critical component in Southeastern Pennsylvania's economic engine.

1. Introduction and Profile

INTEGRATING SOUTHEASTERN PENNSYLVANIA'S TRANSIT NETWORK

1964 Created by PA State Assembly

1968 Acquired Phila. Transp. Company (PTC)

1970 Acquired Phila. Suburban Transp. Company (Red Arrow)

1976 Acquired Schuylkill Valley Lines (Frontier)

1983 Acquired Former Penn Central and Reading Railroads

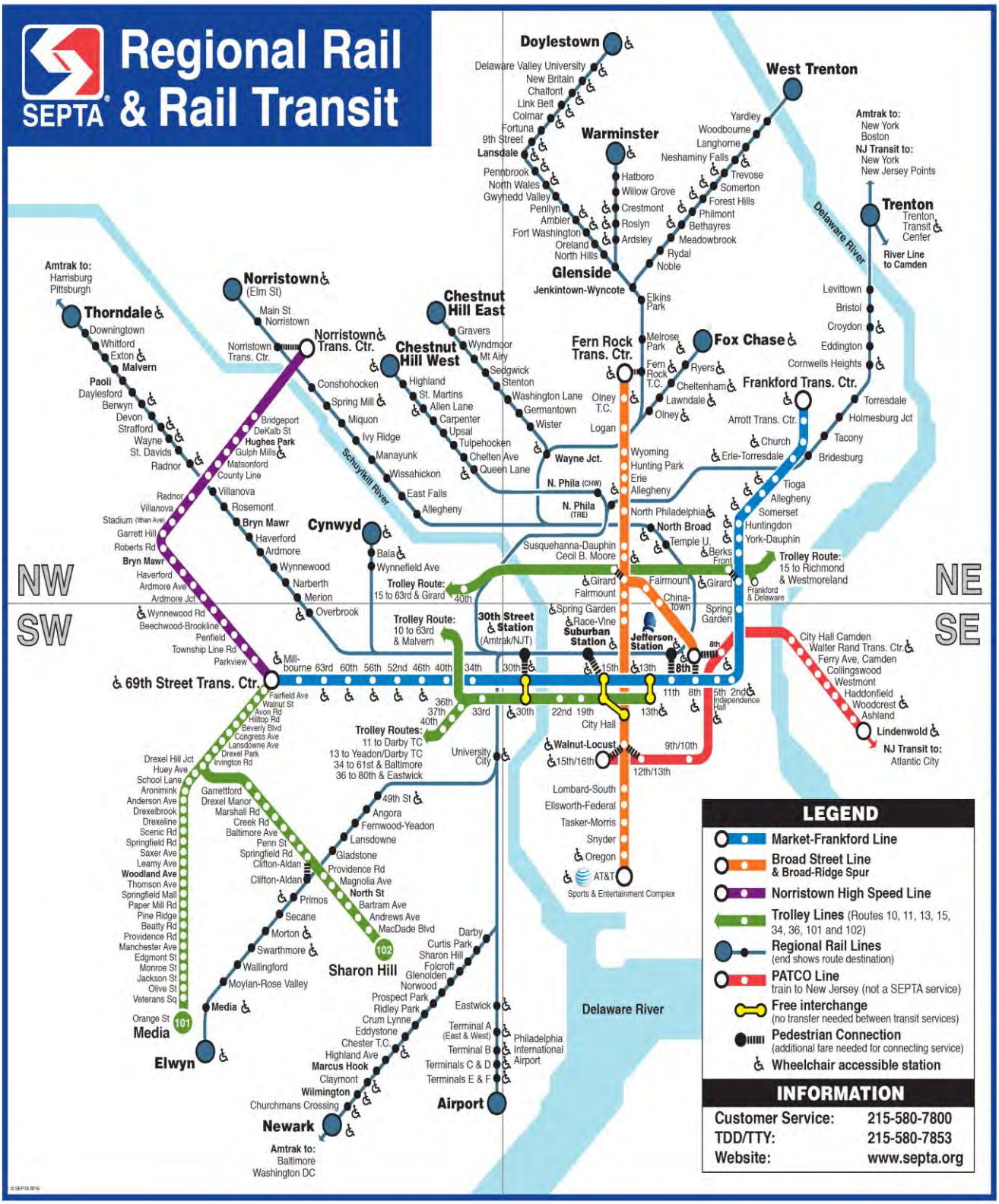
1984 Opened "Center City" Commuter Tunnel

1985 Opened Service on Airport Line

Today, more than 50 years after its creation by the Pennsylvania General Assembly, SEPTA is the nation's sixth largest transit system, with a vast network of fixed route services including bus, subway, trolley, trackless trolley and Regional Rail, as well as ADA paratransit and Shared Ride programs. This network provides service in Bucks, Chester, Delaware, Montgomery, and Philadelphia Counties with connections into New Jersey and Delaware. SEPTA is also one of the region's largest employers, with a workforce of approximately 9,400 employees.



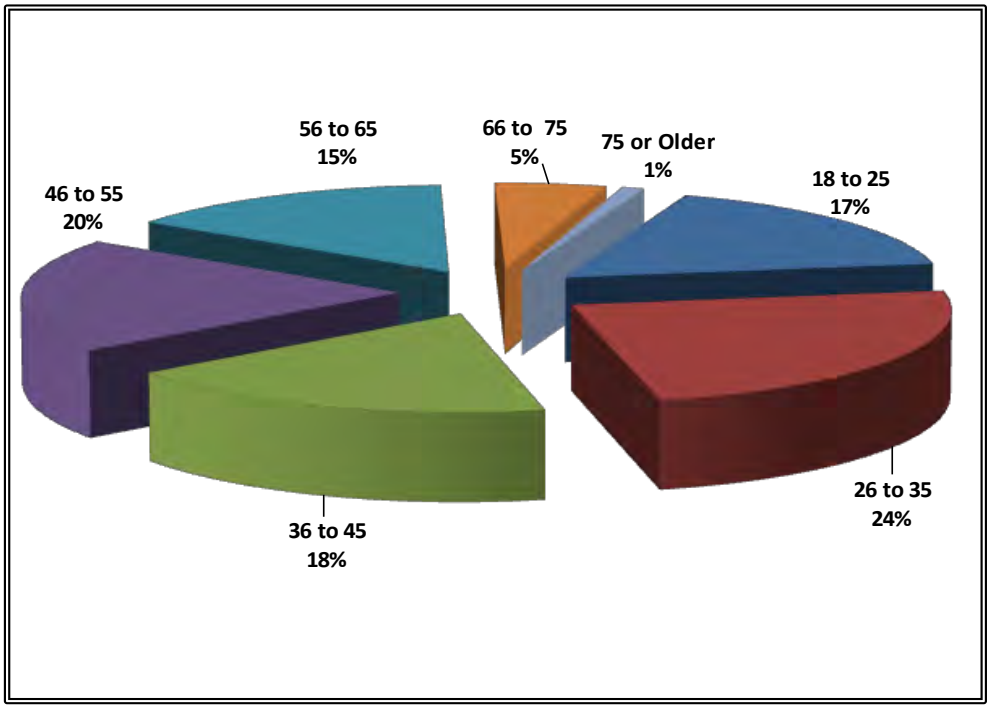
SEPTA SERVICE PROFILE AT A GLANCE				
	FIXED ROUTES	REVENUE VEHICLES	STATIONS & STOPS	ANNUAL TRIPS
BUS & TROLLEY BUS	120	1,451*	13,100	161.7M
MARKET-FRANKFORD LINE	1	218	28	56.9M
BROAD STREET LINE	1	125	25	37.6M
REGIONAL RAIL	13	404	155	37.7M
TROLLEYS	8	159	600	27.1M
NORRISTOWN HIGH SPEED LINE	1	26	22	3.3M
ADA PARATRANSIT/SHARED RIDE	N/A	457	N/A	1.8M
**Exact number varies as new buses are accepted and old vehicles are retired*				


SEPTA
Regional Rail & Rail Transit
NW
NE
SW
SE
Doylestown
Delaware Valley University
New Britain
Chalfont
Link Belt
Colmar
Fortuna
9th Street
Lansdale
Pennbrook
North Wales
Gwynedd Valley
Penllyn
Ambler
Fort Washington
Oreland
North Hills
Warminster
Hatboro
Willow Grove
Crestmont
Roslyn
Ardsley
Glenside
Jenkintown-Wyncote
Rydal
Noble
Elkins Park
West Trenton
Yardley
Woodbourne
Langhorne
Neshaminy Falls
Trevose
Somerton
Forest Hills
Philmont
Bethayres
Meadowbrook
Amtrak to:
New York
Boston
NJ Transit to:
New York
New Jersey Points
Trenton
Trenton Transit Center
River Line to Camden
Delaware River
Levittown
Bristol
Croydon
Eddington
Cornwells Heights
Torresdale
Holmesburg Jct
Tacony
Bridesburg
Frankford Trans. Ctr.
Arrott Trans. Ctr.
Church
Erie-Torresdale
Fox Chase
Melrose Park
Fern Rock T.C.
Ryers
Cheltenham
Lawndale
Olney
Fern Rock Trans. Ctr.
Olney T.C.
Logan
Wyoming
Hunting Park
Erie
Allegheny
North Philadelphia
North Broad
Temple U.
Tioga
Allegheny
Somerset
Huntingdon
York-Dauphin
Berks
Front
Girard
Fairmount
China-town
Spring Garden
Race-Vine
Susquehanna-Dauphin
Cecil B. Moore
N. Phila (CHW)
N. Phila (TRE)
Wayne Jct.
Chestnut Hill East
Gravers
Wyndmoor
Mt Airy
Sedgwick
Stenton
Washington Lane
Germantown
Wister
Chestnut Hill West
Highland
St. Martins
Allen Lane
Carpenter
Upsal
Tulpehocken
Chelten Ave
Queen Lane
Norristown (Elm St)
Main St
Norristown
Norristown Trans. Ctr.
Conshohocken
Spring Mill
Miquon
Ivy Ridge
Manayunk
Wissahickon
East Falls
Allegheny
Schuylkill River
Amtrak to:
Harrisburg
Pittsburgh
Thorndale
Downingtown
Whitford
Exton
Malvern
Paoli
Daylesford
Berwyn
Devon
Strafford
Wayne
St. Davids
Radnor
Bridgeport
DeKalb St
Hughes Park
Gulph Mills
Matsonford
County Line
Villanova
Rosemont
Bryn Mawr
Haverford
Ardmore
Wynnewood
Narberth
Merion
Overbrook
Cynwyd
Bala
Wynnefield Ave
Trolley Route:
15 to 63rd & Girard
Trolley Route:
10 to 63rd & Malvern
Trolley Route:
15 to Richmond & Westmoreland
Frankford & Delaware
30th Street Station (Amtrak/NJT)
Suburban Station
Jefferson Station
8th
Market
Arch
Independence Hall
2nd
5th
City Hall Camden
Walter Rand Trans. Ctr.
Ferry Ave, Camden
Collingswood
Westmont
Haddonfield
Woodcrest
Ashland
Lindenwold
NJ Transit to:
Atlantic City
Radnor
Villanova
Stadium (Ithan Ave)
Garrett Hill
Roberts Rd
Bryn Mawr
Haverford
Ardmore Ave
Ardmore Jct
Wynnewood Rd
Beechwood-Brookline
Penfield
Township Line Rd
Parkview
69th Street Trans. Ctr.
Millbourne
63rd
60th
56th
52nd
46th
40th
34th
30th
15th
13th
11th
8th
36th
37th
33rd
22nd
19th
City Hall
Trolley Routes:
11 to Darby TC
13 to Yeadon/Darby TC
34 to 61st & Baltimore
36 to 80th & Eastwick
University City
Walnut-Locust
15th/16th
9th/10th
12th/13th
Lombard-South
Ellsworth-Federal
Tasker-Morris
Snyder
Oregon
AT&T
Sports & Entertainment Complex
Fairfield Ave
Walnut St
Avon Rd
Hilltop Rd
Beverly Blvd
Congress Ave
Lansdowne Ave
Drexel Park
Irvington Rd
Drexel Hill Jct
Huey Ave
School Lane
Aronimink
Anderson Ave
Drexelbrook
Drexeline
Scenic Rd
Springfield Rd
Saxer Ave
Leamy Ave
Woodland Ave
Thomson Ave
Springfield Mall
Paper Mill Rd
Pine Ridge
Beatty Rd
Providence Rd
Manchester Ave
Edgmont St
Monroe St
Jackson St
Olive St
Veterans Sq
Orange St
101
Media
Elwyn
Garrettford
Drexel Manor
Marshall Rd
Creek Rd
Baltimore Ave
Penn St
Springfield Rd
Clifton-Aldan
Gladstone
Providence Rd
Magnolia Ave
North St
Bartram Ave
Andrews Ave
MacDade Blvd
102
Sharon Hill
49th St
Angora
Fernwood-Yeadon
Lansdowne
Primos
Secane
Morton
Swarthmore
Wallingford
Moylan-Rose Valley
Darby
Curtis Park
Sharon Hill
Folcroft
Glenolden
Norwood
Prospect Park
Ridley Park
Crum Lynne
Eddystone
Chester T.C.
Highland Ave
Marcus Hook
Claymont
Wilmington
Churchmans Crossing
Newark
Amtrak to:
Baltimore
Washington DC
Eastwick
Terminal A (East & West)
Terminal B
Terminals C & D
Terminals E & F
Philadelphia International Airport
Airport
Delaware River
LEGEND
Market-Frankford Line
Broad Street Line & Broad-Ridge Spur
Norristown High Speed Line
Trolley Lines (Routes 10, 11, 13, 15, 34, 36, 101 and 102)
Regional Rail Lines (end shows route destination)
PATCO Line train to New Jersey (not a SEPTA service)
Free interchange (no transfer needed between transit services)
Pedestrian Connection (additional fare needed for connecting service)
Wheelchair accessible station
INFORMATION
Customer Service: 215-580-7800
TDD/TTY: 215-580-7853
Website: www.septa.org

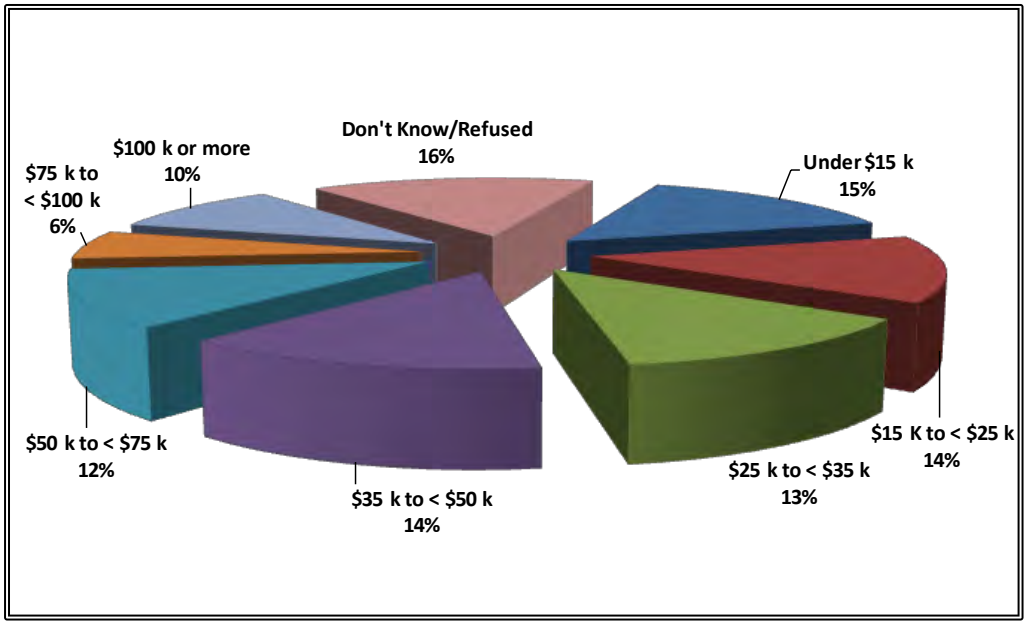
SEPTA Passengers

The following charts serve to illustrate the typical SEPTA customer. The demographic data was recorded and compiled as part of the SEPTA 2015 Customer Satisfaction Survey.

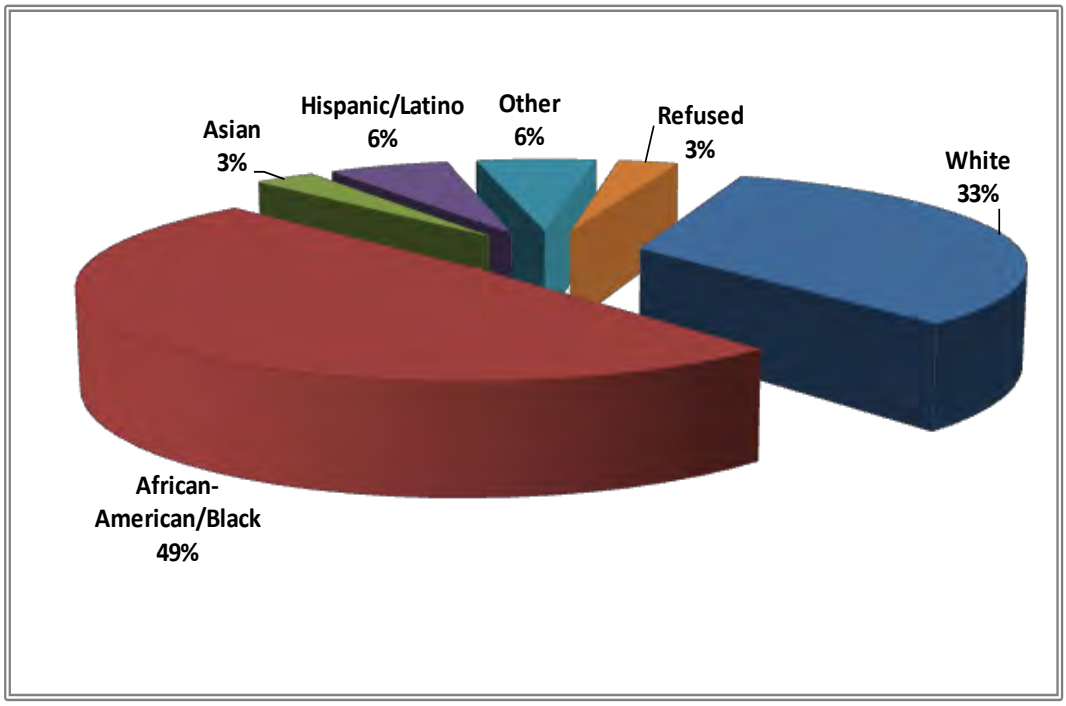
Age of Adult Passengers



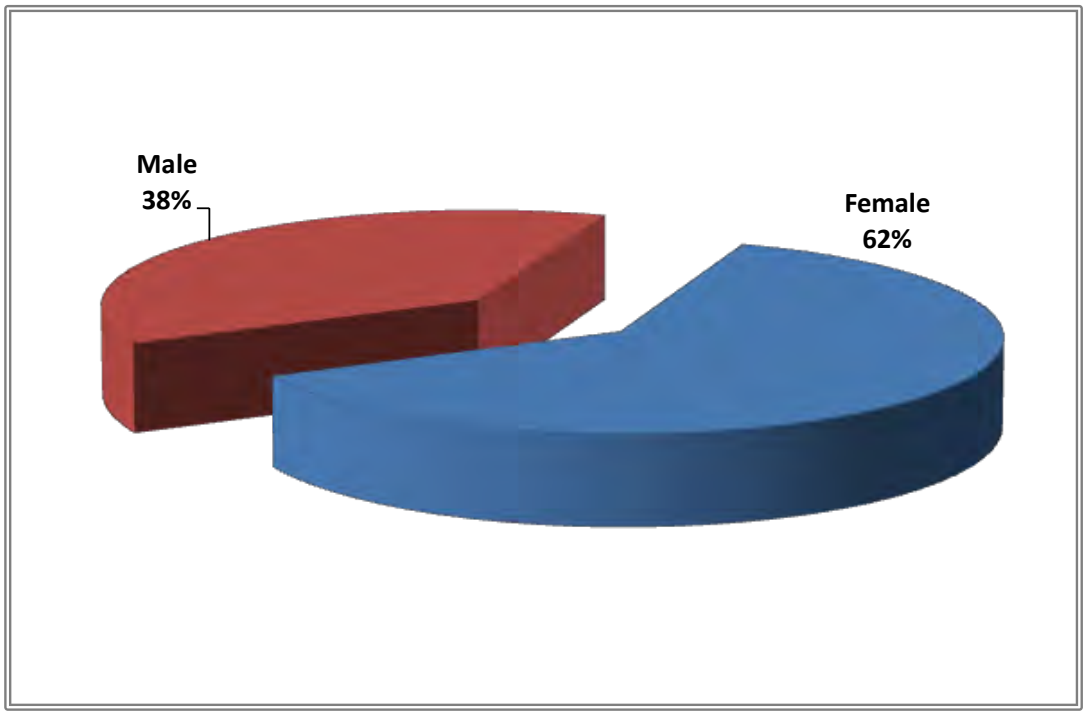
Annual Household Income of Passengers



Ethnicity of Passengers



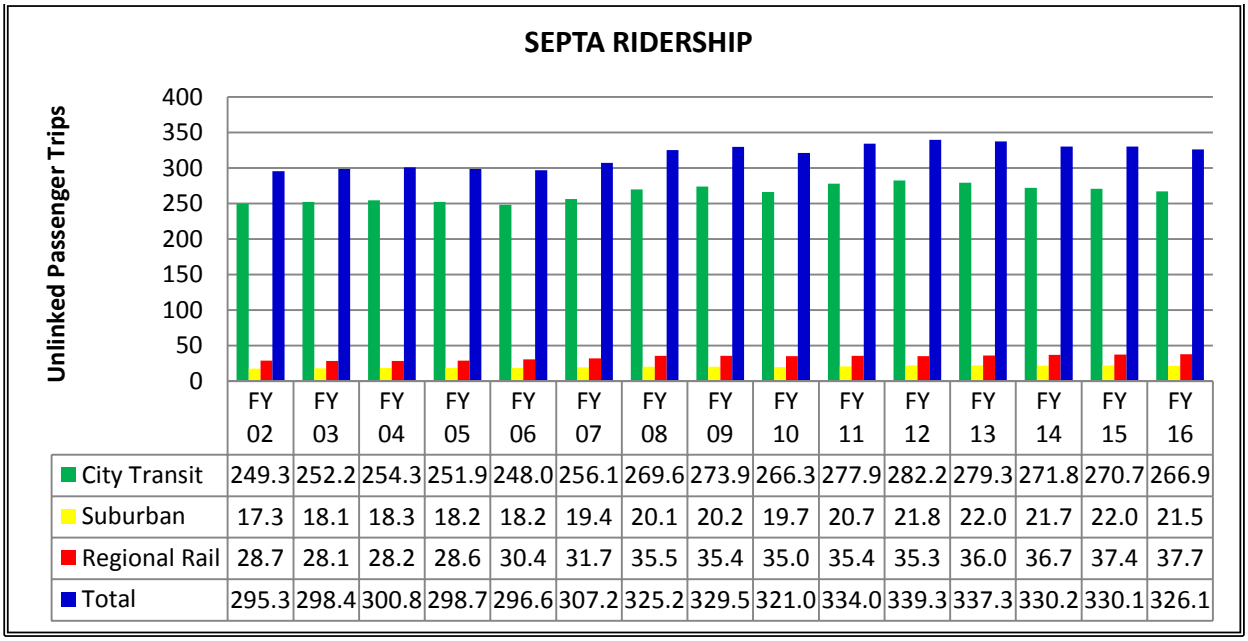
Gender of Passengers



Key Regional Transportation Trends

Transit Ridership

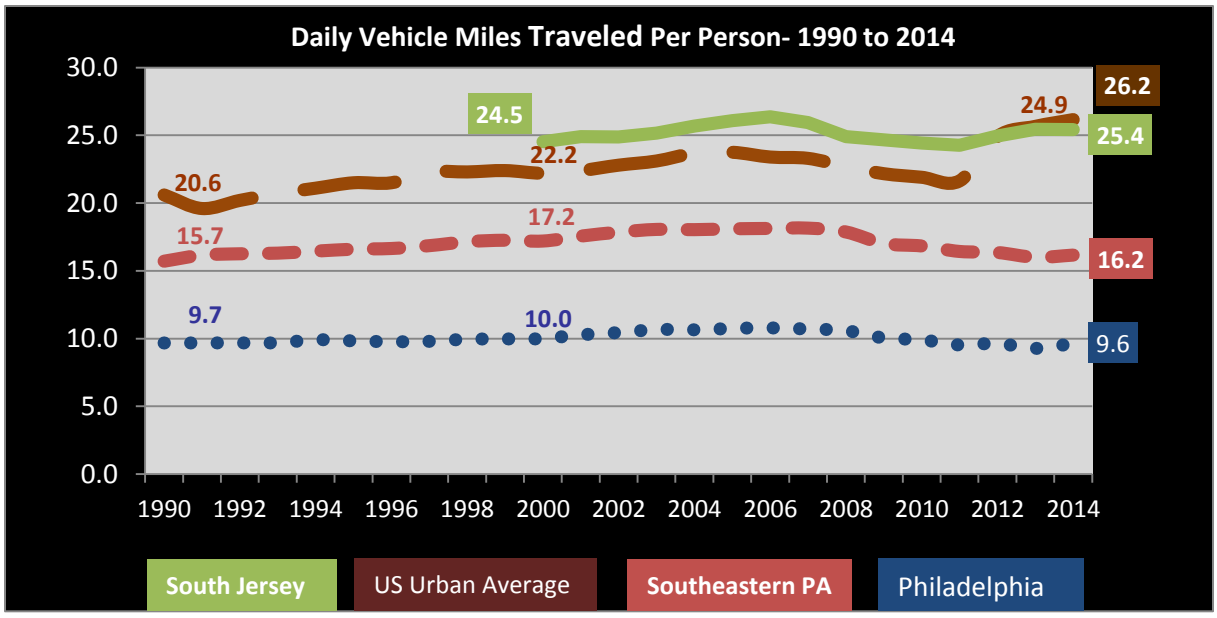
The renewed appreciation of transit's value to Southeastern Pennsylvania has manifested itself in increased use. SEPTA ridership is near quarter-century highs, with a slight dip in recent fiscal years due to extreme weather events.



	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16
City Transit	249.3	252.2	254.3	251.9	248.0	256.1	269.6	273.9	266.3	277.9	282.2	279.3	271.8	270.7	266.9
Suburban	17.3	18.1	18.3	18.2	18.2	19.4	20.1	20.2	19.7	20.7	21.8	22.0	21.7	22.0	21.5
Regional Rail	28.7	28.1	28.2	28.6	30.4	31.7	35.5	35.4	35.0	35.4	35.3	36.0	36.7	37.4	37.7
Total	295.3	298.4	300.8	298.7	296.6	307.2	325.2	329.5	321.0	334.0	339.3	337.3	330.2	330.1	326.1

Driving Rates

Automobile use trends underscore the extent to which transit is increasingly becoming a mode of choice for residents of Southeastern Pennsylvania. As transit ridership has increased, driving rates have decreased. Historically, the City of Philadelphia and Southeastern Pennsylvania driving rates have been roughly one-third and two-thirds the national urban average, respectively. In recent years, as national driving rates have rebounded with improving economic conditions, driving rates locally have remained flat.



Strategic Business Plan for Fiscal Years 2015 through 2019

In July 2014, the SEPTA Board adopted a five-year Strategic Business Plan for Fiscal Years 2015 through 2019. The plan positions SEPTA to evaluate and take advantage of key trends that will allow SEPTA to be a public transportation system that meets the region's evolving transportation needs. The plan is available at www.septa.org/strategic-plan and represents a framework for all other SEPTA planning documents, including the Annual Operating Budget.

The framework is based on a vision, mission, core values and strategic objectives to guide organizational planning and development for the next five years:

VISION: To be the region's preferred choice for transportation, and to earn that choice by:

- Connecting the region for integrated mobility
- Sustaining our environment and preserving our system for future generations
- Committing to continuous improvement and innovation
- Providing safe, excellent service by a team of dedicated employees

MISSION: SEPTA is dedicated to delivering safe, reliable, sustainable, accessible, and customer-focused public transit services, contributing to the region's economic vitality, sustainability, and enhanced quality of life.

CORE VALUES:

For our service:

- Safe
- Reliable
- Sustainable
- Accessible
- Customer-Focused

For our people:

- Diverse
- Honest
- Creative
- Empowered
- Accountable

For our culture:

- Collaborative
- Constructive
- Respectful
- Engaging
- Transparent

These principles serve as a framework for approaches to pursue SEPTA's eight strategic objectives in the five-year plan:

- **Safety and Security**
- **Rebuilding the System**
- **The Customer Experience**
- **Ridership Growth**
- **Sustainability**
- **Business Partnerships**
- **Human Capital Development**
- **Emerging Technologies**



Balanced Scorecard of Key Performance Indicators (KPI)

SEPTA's Strategic Business Plan also establishes a ~~b~~balanced scorecard" approach to performance management. The Key Performance Indicators (KPIs) are designed to guide strategy development based on a quantitative evaluation of progress during plan implementation. The KPIs were carefully selected to represent meaningful measures of achievement towards strategic objectives across all business units. Progress updates on each KPI are posted monthly at www.septa.org/strategic-plan.

The balanced scorecard has six key focus areas:

- Safety and Security
- Financial Efficiency
- The Customer Experience
- Resource Management
- Infrastructure State of Good Repair and Reliability
- Employee Growth

SAFETY and SECURITY: ***Goal Statement – A safety-first culture that results in fewer employee and customer incidents.***

- **Measures of Success**

Employee Lost Time Injuries per 200,000 Hours
Goal: 10% ↓ from FY2013 by FY2019

EMPLOYEE LOST TIME INJURIES PER 200,000 WORK HOURS – BY DEPARTMENT					
Reported workplace injuries causing missed work divided by work hours times 200,000	FY2013 ACTUAL	FY2014 ACTUAL	FY2015 ACTUAL	FY2016 ACTUAL	FY2017 GOAL
SURFACE TRANSPORTATION	6.38	7.19	5.88	7.64	6.41
VEHICLE MAINTENANCE–BUS	3.62	3.32	4.64	2.99	3.90
RAIL TRANSPORTATION	4.83	3.90	3.82	2.96	3.78
VEHICLE MAINTENANCE–RAIL	5.20	3.06	2.61	5.18	2.77
NON-OPERATIONS	2.10	1.79	1.69	1.89	1.71



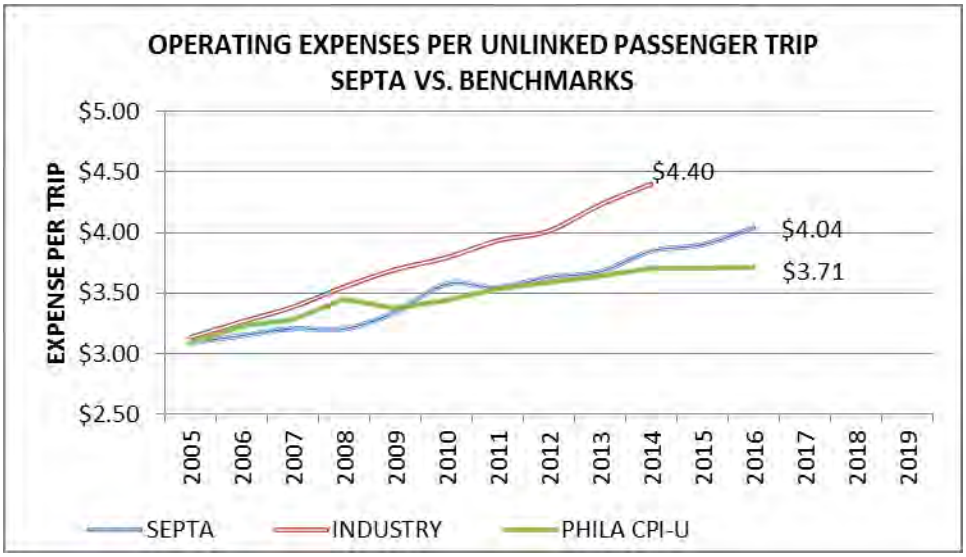
Vehicle & Passenger Incidents per 100,000 Miles
Station Incidents per 1,000,000 Passenger Trips
Goal: 10% ↓ from FY2016 by FY2019

VEHICLE & PASSENGER INCIDENTS PER 100,000 MILES STATION INCIDENTS PER 1,000,000 PASSENGER TRIPS		
Incidents divided by vehicle miles/passenger trips times 100,000 miles/1,000,000 trips	FY2016 ACTUAL	FY2017 GOAL
VEHICLE INCIDENTS	5.33	5.16
PASSENGER INCIDENTS	4.03	3.89
STATION INCIDENTS	1.94	1.88

Note: FY2016 used as baseline for FY2017 goals due to change in data sources.

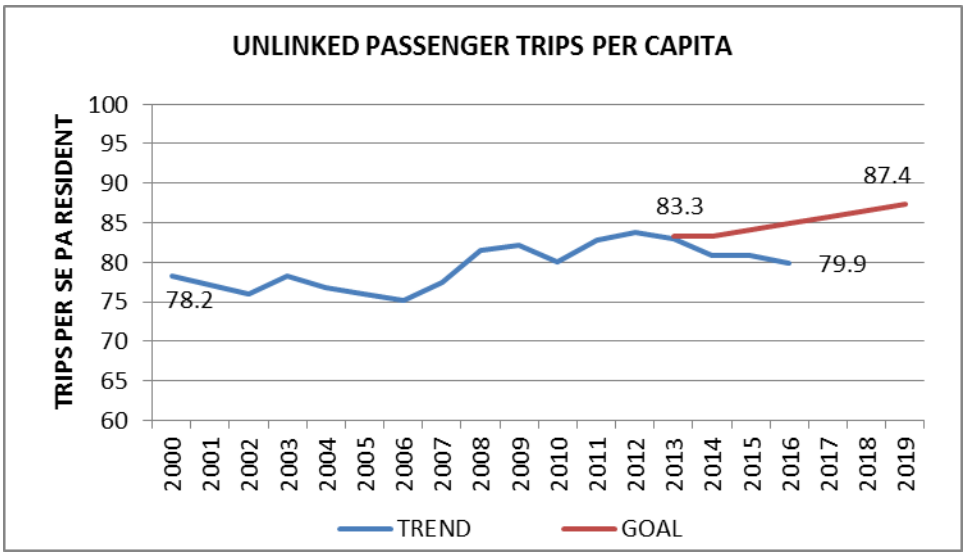
FINANCIAL EFFICIENCY: ***Goal Statement – To responsibly manage resources in a way that provides requisite budget stability to grow the system.***

- Measures of Success
 - Δ Operating Expenses per Unlinked Passenger Trips – Goal: Below Industry Average and Δ Consumer Price Index (CPI-U) for Philadelphia region each year through FY2019



OPERATING EXPENSES PER UNLINKED PASSENGER TRIP (UPT)				
Total operating expenses divided by total unlinked passenger trips	FY2014 ACTUAL	FY2015 ACTUAL	FY2016 ACTUAL	FY2017 GOAL
OPERATING EXPENSES	$1,270.4M	$1,287.7M	$1,318.6M	$1,406,5M
UNLINKED PASSENGER TRIPS (UPT)	330.2M	330.1M	326.1M	333.5M
OPERATING EXPENSES PER UPT	$3.85	$3.90	$4.04	$4.22

- Unlinked Passenger Trips (UPT) per Capita – Goal: 5%↑ from FY2013 by FY2019



UNLINKED PASSENGER TRIPS (UPT) PER CAPITA				
Total unlinked passenger trips divided by total five county SE PA population	**FY2014 ACTUAL**	**FY2015 ACTUAL**	**FY2016 ACTUAL**	**FY2017 GOAL**
UNLINKED PASSENGER TRIPS (UPT)	330.2M	330.1M	326.1M	333.5M
REGIONAL POPULATION	4.06M	4.07M	4.08M	4.08M
UPT PER CAPITA	81.3	80.9	79.9	81.7

* **Other Measures**
 - **Route Utilization** – Measured based on three criteria: 1) Fully allocated cost; 2) Total passenger revenue (calculated at average fare); and 3) Operating ratio (passenger revenue divided by fully allocated cost). For more information, please refer to the Annual Service Plan, published in mid-July.
 - *City Transit Division (CTD):* According to the ~~C~~City Transit Division Service Standards and Process," adopted by the SEPTA Board in April 1995 and amended in March 2007: If a route performs below 60 percent of the CTD average route operating ratio, remedial action is taken. Fiscal Year 2015's financial results will be approved for action in Fiscal Year 2017. City Transit Division's average was 32% and the substandard performance mark was 18%.
 - *Suburban Transit Division (STD):* According to the ~~S~~Suburban Transit Division Service Standards and Process," adopted by the SEPTA Board in March 2007: If a route performs below 60 percent of the STD average route operating ratio, remedial action is taken. Fiscal Year 2015's financial results will be approved for action in Fiscal Year 2017. Suburban Transit Division's average was 25% and the substandard performance mark was 14%. Suburban transit includes service for both Victory and Frontier.

- *Regional Rail Division (RRD):* According to the ~~"~~Regional Rail Service Standards and Process," adopted by the SEPTA Board in March 2007: If a route performs below 60 percent of the RRD average route operating ratio, remedial action is taken. Fiscal Year 2015's financial results will be approved for action in Fiscal Year 2017. Regional Rail Division's average was 48% and the substandard performance mark was 28%.

❖ **Other Financial and Productivity Goals**

MEASURE	FY2017 GOAL
PUBLIC INFORMATION CALLS	**97.5%** or higher satisfactory response to calls for public information
SCHEDULED SERVICE REQUIREMENTS	**98%** or higher of service operated as scheduled
ACCESSIBILITY BY ELDERLY AND DISABLED	Achieve **100%** of total requests for ADA trips; **750,000** ADA City Division and **325,000** ADA Suburban trips are projected for FY2017; **740,000** Shared Ride trips are projected
VEHICLE MILES PER EMPLOYEE	**10,600** or more vehicle miles per employee (includes miles in contracted services, Shared Ride and ADA Paratransit)
PASSENGER MILES PER EMPLOYEE	**155,000** or more passenger miles per employee
ADMINISTRATIVE-TO-OPERATING EMPLOYEE RATIO	**1:20 ratio** between administrative employees and operating employees at the expense level of $1.41 billion (In computing this ratio, operating employees include all employees contained within the Operations Division as well as employees involved in fare media sales and distribution, operations trainers and Customer Service Agents)

❖ **Vehicles Per Mechanic** – A key staffing measure that establishes goals based on vehicle types reflecting the varying size, complexity and condition of each fleet – Goal Varies by Mode.

MINIMUM VEHICLES PER MECHANIC*				
	FY2014 ACTUAL	FY2015 ACTUAL	FY2016 ACTUAL	FY2017 GOAL
BUS & TRACKLESS TROLLEY	3.1	3.0	3.0	3.0
CITY TROLLEY	1.6	1.8	1.8	1.6
MARKET-FRANKFORD LINE	3.5	3.3	3.3	3.5
BROAD STREET LINE	2.0	1.9	1.9	2.5
MEDIA-SHARON HILL LINE	1.4	1.4	1.5	1.3
NORRISTOWN HIGH SPEED LINE	1.9	2.0	2.0	1.7
REGIONAL RAIL	1.7	1.6	1.6	1.6

***Note:** Mechanics assigned to SEPTA's vehicle overhaul program not included

THE CUSTOMER EXPERIENCE: ***Goal Statement – To provide best-in-class transportation services that meet or exceed customer expectations.***

* **Measures of Success**

❖ **Increase in Customer Satisfaction Rating** – SEPTA conducted a Customer Satisfaction Survey in 2015, resulting in 2,853 adult interviews and found an overall approval rating of 7.6 out of 10 (down slightly from 7.7 in 2012). While there was a slight decline overall, City Bus experienced an increase (from 7.0 to 7.3).

CUSTOMER SATISFACTION RATING – BY MODE				
	2008	2010	2012	2015
SEPTA MODAL AVERAGE	7.2	7.9	7.7	7.6
REGIONAL RAIL	7.6	7.9	8.3	7.6
MARKET-FRANKFORD LINE	7.4	8.2	8.0	7.8
SUBURBAN TROLLEY	7.7	8.2	7.9	8.0
BROAD STREET LINE	7.3	8.0	7.9	7.7
CITY TROLLEY	6.8	7.8	7.5	7.5
VICTORY BUS	6.8	7.6	7.4	7.3
FRONTIER BUS	7.5	7.5	7.3	7.7
CITY BUS	6.6	7.4	7.0	7.3

❖ **Commendations to Complaints Ratio**
Goal: 10%↑ from FY2013 by FY2019

	COMMENDATIONS-TO-COMPLAINTS RATIO			
Total customer commendations divided by complaints received through all forms of media (mail, email, phone, web)	FY2014 ACTUAL	FY2015 ACTUAL	FY2016 ACTUAL	FY2017 GOAL
COMMENDATIONS	2,610	2,446	2,518	n/a
COMPLAINTS	37,130	41,056	47,568	
COMMENDATIONS-TO-COMPLAINTS	0.0703	0.0596	0.0529	0.0580

❖ **Service Reliability**
On-Time Performance – Goal: 0-4%↑ (Varies by Mode)

SERVICE RELIABILITY – ON-TIME PERFORMANCE					
Percentage of arrivals within 5 minutes, 59 seconds of schedule		FY2014 ACTUAL	FY2015 ACTUAL	FY2016 ACTUAL	FY2017 GOAL
SURFACE	City/Suburban Bus				
	Allegheny	72.9%	75.8%	77.0%	76.0%
	Callowhill	73.9%	77.9%	76.2%	77.0%
	Comly	78.4%	79.8%	80.1%	81.0%
	Frankford	81.0%	83.1%	81.3%	84.0%
	Midvale	71.3%	75.6%	75.4%	76.0%
	Southern	76.1%	79.8%	77.0%	79.0%
	Frontier	75.4%	80.0%	80.3%	80.0%
	Victory	74.8%	78.8%	78.2%	79.0%
	City Trolley	75.2%	79.6%	79.1%	79.0%
	Media-Sharon Hill Line	91.6%	95.1%	93.5%	94.0%
	Norristown High Speed Line	99.7%	99.3%	99.7%	98.0%
RAIL	Broad Street Line	99.1%	99.2%	99.1%	98.0%
	Market-Frankford Line	98.0%	98.0%	97.9%	98.0%
	Regional Rail	90.1%	87.4%	83.8%	90.0%

❖ **Communications Activity Index**
Goal: 50%↑ from FY2014 by FY2019

	COMMUNICATIONS ACTIVITY INDEX			
Composite index of activity on SEPTA's customer facing electronic communications platforms	FY2014 ACTUAL	FY2015 ACTUAL	FY2016 ACTUAL	FY2017 GOAL
SEPTA.ORG PAGEVIEWS (PER 1K)	121,355	119,263	117,649	See goal below
@SEPTA_SOCIAL ACTIVITY	38,681	45,653	54,357	
MOBILE APP DOWNLOADS	114,280	149,452	118,656	
CONTROL CENTER TWEETS	24,529	28,068	41,862	
TOTAL ACTIVITY INDEX	298,845	342,436	332,524	388,498

❖ **Uptime of Mission Critical IT Systems**
Goal: 99.99% Uptime

UPTIME OF MISSION-CRITICAL IT SYSTEMS					
Percentage of time during which mission critical communication platforms are fully operational		FY2014 ACTUAL	FY2015 ACTUAL	FY2016 ACTUAL	FY2017 GOAL
SEPTA.ORG	Uptime (Hours)	8,953	8,969	8,994	8,993
	Total Time (Hours)	8,970	8,970	8,994	8,994
	Percent Uptime	99.81%	99.99%	100.00%	99.99%
API/ REAL-TIME	Uptime (Hours)	8,952	8,850	8,847	8,993
	Total Time (Hours)	8,970	8,970	9,994	8,994
	Percent Uptime	99.79%	98.67%	98.37%	99.99%

RESOURCE MANAGEMENT: ***Goal Statement – To implement best management practices that ensure SEPTA remains a sustainable, high-performance, outcome-driven agency.***

* **Measures of Success**
 - **Carbon Footprint**
 Goal: 10%↓ from FY2013 by FY2019

	CARBON FOOTPRINT			
Pounds of carbon dioxide equivalents (CO_2-e) emitted divided by passenger miles travelled (compared with single-occupancy vehicle)	FY2014 ACTUAL	FY2015 ACTUAL	FY2016 ACTUAL	FY2017 GOAL
DIESEL (GAL)	14,707,363	14,660,967	14,076,028	See goal below
ELECTRICITY (MWH)	499,523	491,416	475,324	
GASOLINE (GAL)	2,391,193	2,393,837	2,394,112	
NATURAL GAS (CCF)	2,616,434	2,660,262	2,105,821	
HEATING OIL (GAL)	397,839	314,040	257,793	
STEAM (MLBS)	37,852	38,490	29,333	
TOTAL ENERGY (MMBTU)	4,244,172	4,206,252	3,996,582	
TOTAL EMISSIONS (CO_2-E)	934.5M	843.2M	809.3M	
PASSENGER MILES (PMT)	1,522.2M	1,530.3M	1,511.6M	
EMISSIONS PER PMT	0.614	0.551	0.535	0.511

 - **Municipal Waste Diversion Rate**
 Goal: 25% by FY2019

MUNICIPAL WASTE DIVERSION RATE				
Tons of recycled municipal waste divided by tons of total municipal waste	FY2014 ACTUAL	FY2015 ACTUAL	FY2016 ACTUAL	FY2017 GOAL
RECYCLED WASTE (TONS)	1,023	1,247	1,407	n/a
TOTAL WASTE (TONS)	5,794	5,013	5,064	n/a
DIVERSION RATE	15.0%	19.9%	21.7%	25.0%

 - **Procurement Turnaround Time**
 Goal: Varies by Size of Procurement

PROCUREMENT TURNAROUND TIME				
Purchasing process efficiency within categories of procurements by dollar value	FY2014 ACTUAL	FY2015 ACTUAL	FY2016 ACTUAL	FY2017 GOAL
$0-25,000 (DAYS)	17	19	20	21
$25,001-100,000 (DAYS)	55	55	51	40
+$100,000 (VARIANCE TO GOAL)	6.7%	-1.3%	-11.4%	+/- 0%

INFRASTRUCTURE STATE OF GOOD REPAIR & RELIABILITY: ***Goal Statement – To reduce SEPTA's backlog of capital repair needs in a way that improves safety, reliability, capacity, and the customer experience.***

- **Major Capital Project Deadlines Achieved Within 90 Days**
 Goal: 80%

MAJOR CAPITAL PROJECT DEADLINES ACHIEVED WITHIN 90 DAYS				
Number of major project deadlines achieved within 90 days divided by total major project deadlines	FY2014 ACTUAL	FY2015 ACTUAL	FY2016 ACTUAL	FY2017 GOAL
MET DEADLINES	58	72	102	n/a
TOTAL DEADLINES	70	84	120	n/a
ACHIEVEMENT RATE	82.86%	85.71%	85.00%	80.00%

- **Vehicle Reliability – Mean Distance Between Failures**
 Goal: 0 to 20% ↑ (Varies by Mode)

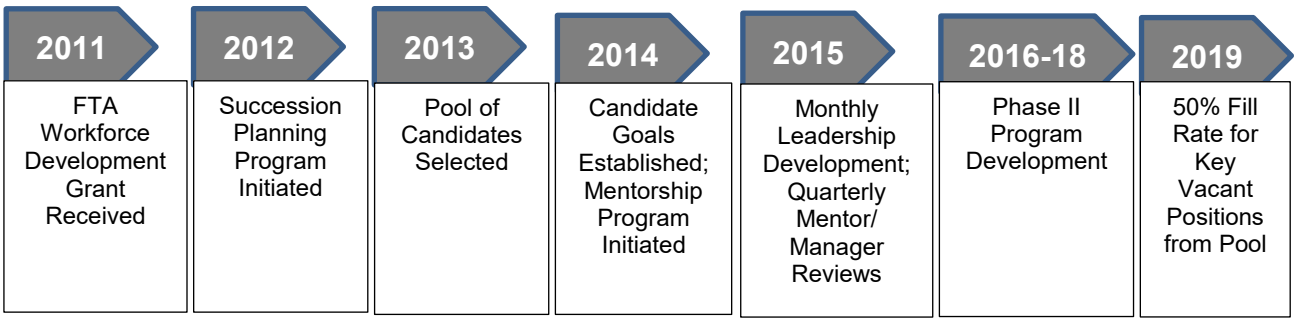
VEHICLE RELIABILITY – MEAN DISTANCE BETWEEN FAILURES					
	Fleet miles travelled divided by mechanical failures requiring vehicle to be removed from revenue service	FY2014 ACTUAL	FY2015 ACTUAL	FY2016 ACTUAL	FY2017 GOAL
SURFACE	**City/Suburban Bus**				
	Allegheny	4,414	4,037	6,408	6,000
	Callowhill	6,556	7,224	7,207	7,000
	Comly	10,127	12,145	12,463	12,000
	Frankford	14,198	11,555	13,559	14,000
	Midvale	4,523	5,581	7,357	7,000
	Southern	7,023	7,744	7,447	7,500
	Frontier	20,595	25,939	25,148	20,000
	Victory	12,363	14,239	12,856	14,500
	City Trolley	6,358	6,795	8,577	6,500
	Media-Sharon Hill Line	19,120	20,977	18,004	25,000
	Norristown High Speed Line	42,863	41,468	56,518	35,000
RAIL	**Broad Street Line**	117,989	157,099	151,160	130,000
	Market-Frankford Line	70,942	93,032	105,105	80,000
	Regional Rail (Note 1)	44,775	38,157	23,352	25,000

Note 1: Methodology was revised in FY 2016 to capture all failures so that appropriate action can be taken to improve service reliability.

EMPLOYEE GROWTH: ***Goal Statement – To attract, develop and retain a diverse, healthy and versatile workforce.***

* **Measures of Success**

 ❖ **Fill Rate for Key Vacant Positions from Succession Pool – Goal: 50% by 2019**



 ❖ **Continued Incremental Improvement from Ongoing Focus on Women and Minority Hiring Efforts – Goal: Varies by Category**

JOB CATEGORY	GOAL AREA	JULY 1, 2008	JULY 1, 2013	JULY 1, 2014	JULY 1, 2015	JULY 1, 2016	TARGET JULY 1, 2019	GAP
MANAGEMENT (TOTAL: 1124)	**MINORITY**	36.2%	39.3%	39.8%	42.0%	**44.4%**	**46.0%***	**1.6%**
	WOMEN	14.5%	16.4%	16.9%	17.2%	**19.0%**	**20.0%***	**1.0%**
PROFESSIONAL (TOTAL: 438)	**MINORITY**	32.6%	36.1%	38.1%	36.5%	**38.1%**	**40.0%**	**1.9%**
	WOMEN	30.1%	34.8%	35.9%	36.0%	**35.2%**	**41.0%**	**5.8%**

* The original goal as established in the FY2015-2019 Strategic Business Plan has been achieved, and new goals have been established accordingly.

Budget Development
The first step of the budget development process begins with a meeting attended by the Operating Budget and Strategic Planning staff in January to discuss the key initiatives for the upcoming fiscal year. These initiatives are incorporated into each division's goals and funding is provided within the financial constraints determined by the Chief Financial Officer and the Deputy General Manager/Treasurer.

The next step in the process occurs in January with the preparation of a draft service projection for the following fiscal year. This is a collaborative effort between the Operating Budget and Service Planning Departments and results in a detailed service projection and Authority-wide expense projection by mid-February.

The Operating Budget Department then meets with personnel from each staff and operating department to review specific budget requirements and potential issues for the following fiscal year. Based on these meetings and the Strategic Planning Initiatives, the service projection may then be revised if necessary. Departmental expense levels are set accordingly and preliminary authorization letters and the budget database template are distributed to all departments in February or March.

Operating and staff department personnel then populate the Management Planning and Control (MPC) operating budget database template for submission. The Operating Budget Department reviews each submission and recommends corrections or revisions as necessary. The submissions are then compiled and the SEPTA Board is briefed.

Period for Public Comment
The Operating Budget Department publishes SEPTA's Operating Budget Proposal on the Authority's Website and distributes it publicly in late March, thus beginning the period for public comment, which is open until the beginning of May. SEPTA's Board Chairman appoints an independent hearing examiner to conduct public hearings in each of the five counties that SEPTA serves. Public hearings are then held in late April to inform the public and to solicit public comment on the proposal. SEPTA staff presents testimony and responds to inquiries from the public.

Adoption
The hearing examiner evaluates the SEPTA staff proposal together with public commentary and issues a report to the Board the beginning of May. Included in this report are recommendations the hearing examiner may choose to make as a result of his review. The Board of Directors adopts a budget for the upcoming fiscal year at its regular May Board meeting on the fourth Thursday of the month.

Budget Amendment
Subsequent amendments to the total budget are handled in the same manner as the annual budget process. That is, budget amendments would be subject to the same three phases of the annual process: budget development, period for public comment and budget adoption.



Fiscal Year Calendar- July 1, 2016 to June 30, 2017

S	M	T	W	TH	F	S		S	M	T	W	TH	F	S	
JULY 2016							DAYS	**JANUARY 2017**							DAYS
					1	2	CUM	1	2	3	4	5	6	7	CUM
3	4	5	6	7	8	9	30	8	9	10	11	12	13	14	28
10	11	12	13	14	15	16	30	15	16	17	18	19	20	21	212
17	18	19	20	21	22	23		22	23	24	25	26	27	28	
24	25	26	27	28	29	30									
AUGUST 2016								**FEBRUARY 2017**							
31	1	2	3	4	5	6		29	30	31	1	2	3	4	
7	8	9	10	11	12	13	35	5	6	7	8	9	10	11	28
14	15	16	17	18	19	20	65	12	13	14	15	16	17	18	240
21	22	23	24	25	26	27		19	20	21	22	23	24	25	
28	29	30	31	1	2	3									
SEPTEMBER 2016								**MARCH 2017**							
4	5	6	7	8	9	10		26	27	28	1	2	3	4	
11	12	13	14	15	16	17	28	5	6	7	8	9	10	11	35
18	19	20	21	22	23	24	93	12	13	14	15	16	17	18	275
25	26	27	28	29	30	1		19	20	21	22	23	24	25	
								26	27	28	29	30	31	1	
OCTOBER 2016								**APRIL 2017**							
2	3	4	5	6	7	8		2	3	4	5	6	7	8	
9	10	11	12	13	14	15	28	9	10	11	12	13	14	15	28
16	17	18	19	20	21	22	121	16	17	18	19	20	21	22	303
23	24	25	26	27	28	29		23	24	25	26	27	28	29	
NOVEMBER 2016								**MAY 2017**							
30	31	1	2	3	4	5		30	1	2	3	4	5	6	
6	7	8	9	10	11	12	35	7	8	9	10	11	12	13	35
13	14	15	16	17	18	19	156	14	15	16	17	18	19	20	338
20	21	22	23	24	25	26		21	22	23	24	25	26	27	
27	28	29	30	1	2	3		28	29	30	31	1	2	3	
DECEMBER 2016								**JUNE 2017**							
4	5	6	7	8	9	10		4	5	6	7	8	9	10	
11	12	13	14	15	16	17	28	11	12	13	14	15	16	17	27
18	19	20	21	22	23	24	184	18	19	20	21	22	23	24	365
25	26	27	28	29	30	31		25	26	27	28	29	30		

Key Activities	January 2016	February 2016	March 2016	April 2016	May 2016	June 2016	July 2016	August 2016
Operating Budget Staff Meeting to discuss priorities and Strategic Plan Initiatives for the upcoming year								
Develop draft service projection based on current service and FY 2017 levels								
Meetings with SEPTA"soperating and staff departments								
Develop overall and department projections								
Schedule Public Hearings								
Operating and Staff Departments submit budget data to Budget Department for review								
Budget Update Presentation to GM Team								
Adjust overall and departmental projections								
Revise Service Projections as necessary								
Budget adjustments are input into Management Planning and Control software (MPC)								
Review first draft of FY 2017 Operating Budget Proposal								
Public Hearing Notice to press relations								
Prepare Public Hearing Testimony								
Public Hearing Notice published in newspapers & SEPTA website/posted at major transportation centers/Associated Services for the Blind website								
Publish on SEPTA website FY 2017 Operating Budget Proposal								
Period for public commentary								
Distribute preliminary budget authorization letters to all Staff and Operating Departments								
Public Hearings in City of Philadelphia and Suburban counties								
Report from the Hearing Examiner to Board								
Board Budget Committee Briefing								
Board adopts FY 2017 Operating Budget								
Final budget adjustments to MPC								
Publish Final FY 2017 Operating Budget Book on SEPTA website								

3. Fiscal Year 2017 Assumptions & Consolidated Budget

This document presents the Fiscal Year 2017 Operating Budget. Fiscal Years 2015 and 2016 actual results are utilized for comparison throughout this document.

Service

The Fiscal Year 2017 Operating Budget of $1.41 billion in operating expenses assumes transportation service levels will remain consistent with Fiscal Year 2016.

Revenue

Operating revenue for Fiscal Year 2017 is projected to increase $10.1 million or 1.9% over Fiscal Year 2016 actual results driven by a slight increase in Passenger and Shared Ride Revenue. Other revenue is expected to decrease 1.7%. Investment and Other Income decreased slightly, due in part to non-recurring investment gains and other receipts recognized in Fiscal Year 2016.

Expenses

Expenses total $1.41 billion. Fiscal Year 2016 actual results include an Injury and Damage Claims and Workers' Compensation Claims Liability reserve decrease of approximately $25 million. This reserve adjustment in Fiscal Year 2016 accounts for 1.9% of the expense variance from Fiscal Year 2016 actual results to the Fiscal Year 2017 budgeted expense amount.

State and Local Subsidy

Fiscal Year 2017 state and local subsidies include a grant from the Pennsylvania Public Transportation Trust Fund. Act 44 of 2007 established the trust fund and Act 89 of 2013 amended Act 44. These acts dedicate state funding for public transportation agencies across the Commonwealth of Pennsylvania. Trust fund grants are required to be matched locally at 15%. Total State Operating Subsidy for FY 2017 is $641.8 million, with a Local Match of $96.3 million.

The Commonwealth and counties also provide 20% or $9.1 million for funding Amtrak trackage lease expenses. Additionally, $1.2 million of funds are provided for lease expenses for copiers, inventory warehousing and communications antenna towers. Funding of $32.6 million is also provided by the Commonwealth for Debt Service with a Local Match of $1.2 million provided by the five counties.

Federal Subsidy

Federal Preventive Maintenance for Fiscal Year 2017 will increase slightly to $36.8 million. This category also includes Federal Capital Lease Subsidy of $37.4 million and Capital Debt Service of $8.1 million.

3. Fiscal Year 2017 Assumptions & Consolidated Budget

Amounts in Thousands ('000)	FY 2017 Budget
REVENUE	
Passenger Revenue	$ 481,500
Shared Ride Program	19,000
Other Income	34,900
Investment Income	1,150
TOTAL OPERATING REVENUE	**$ 536,550**
EXPENSES	
Labor and Fringe Benefits	$ 1,015,016
Materials and Services	278,306
Injury and Damage Claims	28,700
Propulsion Power	35,184
Fuel	25,757
Vehicle and Facility Rentals	4,076
OPERATING EXPENSE	**$ 1,387,039**
Depreciation/Contributed Capital	$ 19,500
TOTAL EXPENSES	**$ 1,406,539**
DEFICIT BEFORE SUBSIDY	**$ (869,989)**
OPERATING SUBSIDY	
Federal	$ 82,327
State	686,615
Local	97,797
Other	3,250
TOTAL SUBSIDY	**$ 869,989**
SURPLUS/(DEFICIT)	**$ -**

FINANCIAL PLANNING POLICIES

Balanced Budget
The SEPTA Board adopts a balanced budget or short term operating spending plan, before the start of each fiscal year in accordance with the enabling legislation of the Commonwealth of Pennsylvania. A balanced budget is one in which expected operating revenues and subsidies equal expected operating expenses. When a deviation from a balanced budget is foreseen or occurs, this is reported as an operating surplus or deficit.

Fiscal Year
The Authority's budget is prepared on a fiscal year basis, beginning July 1 and ending June 30, which is consistent with the financial statements.

Basis of Financial Reporting and Budgeting
The Authority's annual financial statements are prepared using the economic resources measurement focus and the accrual basis in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. Revenues are recognized in the period in which they are earned and expenses are recognized in the period in which they are incurred. The Authority distinguishes operating revenues and expenses from non-operating items in the preparation of its financial statements. Operating revenues and expenses generally result from the Authority's principal operation of providing passenger transportation service. The principal operating revenues are passenger fares and the principal operating expenses are related to the delivery of passenger transportation.

The budget is prepared on a similar basis as the annual financial statements, with the following exceptions:

- The budget includes depreciation net of amortization of contributed capital, while the annual financial statements report gross depreciation. Amortization of contributed capital has been replaced in the annual financial statements by capital grant funding.

- The budget includes a resultant Surplus or Deficit, while the annual financial statement reports a Change in Net Position.

- The budget includes investment income in operating revenue, while the annual financial statements treat this item, and all other subsidies, as non-operating. Conversely, route guarantees classified as operating revenue commencing in Fiscal Year 2013 in the annual financial statements continue to be classified as an operating subsidy within the budget. Additionally, interest expense is treated as non-operating in the annual financial statements.

- The net actuarially determined other post-employment benefit obligation recognized under Government Accounting Standards Board (GASB) Statement No. 45, which was implemented by the Authority in Fiscal Year 2008, has been excluded from budgeted expenses. The expense impact of the annual unfunded pension liability change under GASB 68, implemented by the Authority in Fiscal Year 2015 is also excluded from budgeted expenses. Such costs are included in operating expenses in the annual financial statements.

Long Range Planning
SEPTA continually assesses the consequences of national, state and local demographic, economic, travel and development trends for SEPTA's current and future operations, services and capital projects. This assessment includes the evaluation of current and potential service levels in accordance with SEPTA's Annual Service Plan and the City Transit, Suburban Transit and Regional Rail Service Standards and Processes. This assessment forms the backdrop for SEPTA's long range planning and the basis for the five-year financial projections which are included in the adopted budget for each fiscal year.

The five year financial projection includes fare increases every three years to keep pace with inflation, with the exception of Fiscal Year 2017, which has been delayed one year due to the implementation of SEPTA Key New Payment Technology. This along with prudent oversight of expenditures will facilitate balanced budgets in future years.

Asset Management
SEPTA has established an internal control structure to ensure that assets are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The Procurement, Supply Chain Management and Disadvantaged Business Enterprise Division is responsible for the purchase, lease, sale, and disposal of parts, equipment, supplies, repairs, and services utilized by the Authority. This includes the coordination and enforcement of federal, state and local funding agency regulations for all approved capital expenditures. The principal areas of responsibility include compliance and support services, contract administration, purchasing, resource control and production control. The specific function of this group is further defined in the departmental section of this budget document.

REVENUE POLICIES

Revenue Diversification
The Authority continues to explore areas for revenue diversification and enhancement to supplement passenger revenue and subsidies. Such enhancements shall include, but not be limited to, developing new business and community partnerships, expanding the advertising program, selling naming rights of transit stations, identifying opportunities to serve new markets and pursuing parking initiatives to increase ridership and parking revenue.

Fees and Charges
The Authority's fare structure has been implemented in accordance with legislation established by the Legislature of the Commonwealth of Pennsylvania and applicable federal legislation. Changes to SEPTA's fare structure are subject to the guidelines established by this legislation, including a public hearing process.

One-time Revenues
The Authority has adopted a policy whereby it does not rely on one-time revenues of any sort to finance ongoing operations.

Unpredictable Revenues
There are no major revenue sources that the Authority believes to be unpredictable in nature. The Authority has adopted a policy whereby it does not rely on unpredictable revenues of any sort to finance ongoing operations.

EXPENDITURE POLICIES

Accountability
All divisions within SEPTA are expected to adhere to budgeted guidelines. Managers are held accountable for operating within their authorized budget.

The spending plan is based both on an assessment of ongoing needs to maintain existing service levels and to introduce new programs. Due to external constraints on the Authority's expense growth, expansion is limited to those programs exhibiting the highest degree of cost effectiveness and payback in future economies. Budgeting is done at the management center level and managers are provided with detailed variance reports on a monthly basis.

Numerous financial safeguards and controls are in place throughout the Authority to prevent wasteful or unnecessary spending. The new Office of Business Innovation Department has begun to conduct assessments of various SEPTA operations and will recommend structural and process changes when deemed appropriate to ensure SEPTA operates as efficiently as possible. In addition, the Authority's Internal Audit Department and numerous outside agencies, many of whom supply SEPTA with funding, regularly audit the Authority.

The Authority has established a policy of comparing actual expenditures to budget on a monthly basis for both operating and capital expenditures. For capital expenditures, this reporting is handled by the Project Control Department of the Engineering, Maintenance and Construction Division. For operating expenditures, reporting is handled jointly by the Operating Budget and General Accounting Departments of the Finance and Planning Division. In addition, each operating and staff department is responsible for periodic reporting and analysis of expenditures. Actions to bring the budget into balance are implemented by the General Manager, with input from staff. Actions such as fare increases or significant service changes require Board approval.

Service Stabilization Accounts
The Authority has adopted a policy to maintain a prudent level of financial resources to protect against the need to reduce service levels or increase fares due to revenue/subsidy shortfalls and/or unanticipated one-time expenditures.

RESERVE AND FINANCING POLICIES

Revenue Refunding Bonds

The Revenue Refunding Bonds are limited obligations of the Authority and the principal and interest thereon are payable solely from the revenues received by the Authority from the Pennsylvania Consolidated Statutes, including all moneys distributed to the Authority from the Public Transportation Assistance Fund created under Article XXIII of the Pennsylvania Tax Reform Code of 1971, as amended.

On July 18, 2007, the Governor of the Commonwealth of Pennsylvania signed into law Act No. 2007-44 (~~A~~Act 44"), which, effective July 1, 2007, among other things, (a) repealed 74 Pa C.S. Ch. 13 (which included Section 1310); and (b) provides, in pertinent part that, notwithstanding such repeal, (i) the PTA Fund shall continue to receive the revenue the PTA Fund was entitled to receive on June 30, 2007, (ii) despite the repeal of 74 Pa. C.S. Ch. 13 and, in particular, Section 1310, transit entities that have outstanding obligations shall continue to receive money from the PTA Fund calculated and paid in the same manner as was provided on June 30, 2007, and (iii) money remaining in the PTA Fund after amounts are disbursed as described in (ii) above shall be transferred monthly to the Public Transportation Trust Fund established under 74 Pa. C.S. Ch. 1506.

The Authority, as a transit entity under Act 44, will continue to receive amounts distributed from the PTA Fund that are calculated and paid in the same manner as was prescribed prior to the repeal of Section 1310.

On November 25, 2013, the Governor of the Commonwealth of Pennsylvania signed into law Act No. 2013 – 89 (~~A~~Act 89"), which increased available Capital funding for transportation in FY 2014. Act 89 has no effect on the amounts that the Authority is otherwise entitled to receive under Act 44 for repayment of its Revenue Refunding Bond obligations.

The Authority's policy is to issue debt periodically to supplement federal and state grants in support of the Authority's capital plan. There are no requirements to establish legal debt limits.

In March 2007, the Authority issued $131.7 million of Variable Rate Revenue Refunding Bonds, Series of 2007. The net proceeds from the sale of the 2007 Bonds were used to currently refund the Authority's outstanding Special Revenue Bonds, Series of 1997 and to pay the premium for a debt service reserve fund insurance policy. The net proceeds of the 1997 bonds had been used to reimburse the Authority for a portion of the costs of certain capital projects; refund certain leases entered into by the Authority for a building and related equipment; pay the costs of certain capital projects and pay the premium for a debt service reserve fund insurance policy. In December 2012, the Authority converted the $97.95 million remaining outstanding principal amount of the 2007 bonds from the Daily Rate Mode to the Indexed Mode.

In October 2010, the Authority issued $222.5 million Revenue Refunding Bonds, Series of 2010 due in varying amounts through 2028, with annual interest rates ranging from 2% to 5%. The net proceeds from the sale of the 2010 Bonds, together with other funds of the Authority, were used to (a) currently refund the outstanding principal amount of the 1999 Special Revenue Bonds, Series A and Series B, (b) fund the termination payments and accrued amounts payable in connection with the termination of certain swap agreements and, (c) fund certain costs and expenses incurred in connection with the issuance and sale of the 2010 Bonds. The net proceeds of the 1999 Bonds had been used to finance a portion of the Market-Frankford subway-elevated line vehicle acquisition program; refinance a bridge loan for payment of a portion of the vehicle acquisition program; refund $73.2 million of the 1995A Bonds; reimburse

the Authority for a portion of the costs of certain capital projects and pay a portion of the premium for a debt service reserve fund insurance policy.

Capital Grant Receipts Bonds
On August 16, 2011, the Authority issued $201.6 million of Capital Grant Receipts Bonds, Series 2011 due in varying amounts through 2029 with annual interest rates ranging from 3% to 5%. The net proceeds from the sale of the 2011 Capital Grant Receipts Bonds are being used to (a) finance the acquisition of 116 Silverliner V Regional Railcars, (b) finance the rehabilitation of Wayne Junction Intermodal Facility, (c) fund a deposit to the Debt Service Reserve Fund, and (d) fund certain costs and expenses in connection with the issuance and sale of the 2011 Bonds.

The Capital Grant Receipts Bonds, Series 2011 are limited obligations of the Authority and are payable solely from and secured solely by (I) all amounts received by the Authority from the ~~G~~Grant Receipts", (II) amounts on deposit in certain funds and accounts established under the Indenture, including investment earnings thereon, and (III) any and all other moneys and securities furnished from time to time to the Trustee by the Authority. Grant Receipts consist of all amounts received by the Authority after the date of issuance of the 2011 Bonds from its share of FTA Section 5337 State of Good Repair Funding, and for each Federal Fiscal Year thereafter. FTA Section 5337 State of Good Repair Funding is the successor to FTA Section 5309 Fixed Guideway Modernization Formula Funding.

New Payment Technology Loan
On March 29, 2012, the Authority entered into an agreement with PIDC Regional Center LP XXVIII for a low cost, construction-like loan for an amount not to exceed $175 million to fund the SEPTA Key project. The SEPTA Key project will modernize SEPTA's current fare payment system by allowing direct fare with a variety of contactless devices including debit cards, credit cards and smart phones. The loan was made available to SEPTA under guidelines of the U.S. Immigrant Investor Program, sponsored by the United States Citizenship and Immigration Services (USCIS). The loan has three separate tranches of $35 million, $75 million and $65 million and is being drawn down over a period of approximately five and one-half years. As of June 30, 2016, the Authority has drawn down $113.5 million in loan proceeds. This is an interest only loan with maturities ranging between 5 and 6 years. The first tranche in the principal amount of $35 million matures on May 30, 2017. The Authority anticipates utilizing Federal Grants with state and local match, to repay the loan as each tranche matures.

Energy Savings Company "ESCO" Lease/ Purchase Agreement
The Authority entered into a Master Equipment Lease/Purchase Agreement with Banc of America Public Capital Corporation on November 24, 2015. There are two tranches of debt; tranche 1 has a principal amount of $4.2 million and a final maturity in June 1, 2026, and tranche 2 has a principal amount of $14.0 million and a final maturity of June 1, 2033. The equipment to be installed will serve to reduce the Authority's energy consumption and the resultant operating savings are guaranteed by the ESCO to equal or exceed the debt service payments throughout the term of the agreement.

EB-5 Loan for Equipment and Infrastructure
On January 1, 2016, the Authority entered into an EB-5 loan agreement with Delaware Valley Regional Center, LLC, for an amount up to $300 million to partially finance various capital projects over an approximate 7-year time frame. SEPTA has not yet drawn any loan proceeds and does not currently expect to borrow any funds during Fiscal Year 2017.

DEBT SERVICE POLICIES

Debt Service

The Authority has two series of Revenue Refunding Bonds (issued in 2007 and 2010), and a series of Capital Grant Receipts Bonds (issued in 2011) currently outstanding. Additionally, in March 2012 the Authority entered into a loan agreement to fund the SEPTA Key Project.

Debt Service Requirements

Interest on the Series 2007 and Series 2010 Bonds is payable semi-annually on March 1 and September 1, and interest on the Series 2011 Bonds is payable semi-annually on December 1 and June 1. The aggregate debt service for all three bond issues is listed below on a fiscal year basis.

Debt Limit

The Authority does not have a debt limit, but must demonstrate the ability to repay prior to entering into a loan agreement or issuing bonds.

Debt Service Requirements
(Amounts in Thousands)

Year Ending June 30	Interest *	Principal	Total Debt Service Requirements
2017	18,565	32,590	51,155
2018	17,011	34,075	51,086
2019	15,334	35,670	51,004
2020	13,500	37,455	50,955
2021	11,598	31,700	43,298
2022	9,975	33,230	43,205
2023	8,265	22,185	30,450
2024	7,155	23,300	30,455
2025	5,990	24,460	30,450
2026	4,777	25,670	30,447
2027	3,493	26,960	30,453
2028	2,145	27,050	29,195
2029	798	16,270	17,068
TOTAL	**$ 118,606**	**$ 370,615**	**$ 489,221**

* Interest on the Series 2007 Bonds is a synthetic fixed rate of 4.706 %.

STATEMENT OF CHANGES IN EQUITY

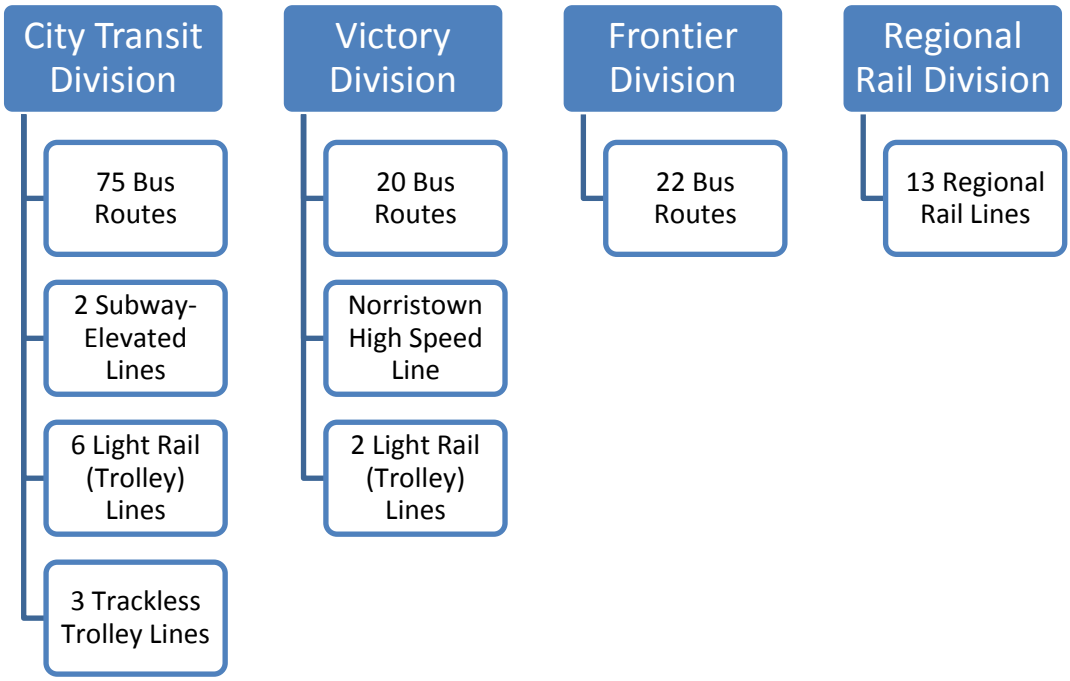
The comparative fiscal year Statement of Changes in Equity displays the Authority's change in contributed capital as well as the change in its accumulated operating deficit, including the fiscal year operating financial results on a balanced budget reporting basis. The equity amounts below exclude the post-employment benefit and unfunded pension obligations recognized under GASB 45 and 68, respectively. Operating surpluses are reducing deficits accumulated in prior years.

Statement of Changes in Equity
(Amounts in Thousands)

	FY 2015 Actual	FY 2016 Actual	FY 2017 Budget
Contributed Capital:			
Balance, Beginning of Year	$ 3,218,399	$ 3,292,811	$ 3,464,522
Capitalized Grant Property Acquired with Contributed Capital	392,503	513,471	568,907
Capitalized Grant Property - Retirements	(81,434)	(58,912)	(19,006)
Amortization of Contributed Capital	(318,076)	(341,760)	(356,849)
Amortization - Retirements	81,419	58,912	18,756
Contributed Capital Balance, End of Year	**$ 3,292,811**	**$ 3,464,522**	**$ 3,676,330**
Operating Surplus/(Deficit):			
Accumulated Operating (Deficit), **Beginning of Year**	**$ (184,929)**	**$ (182,271)**	**$ (181,989)**
Operating Surplus	230	194	-
Unrealized Investment Gain/(Loss)	2,428	88	-
Operating Surplus/(Deficit)	**$ 2,658**	**$ 282**	**$ -**
Accumulated Operating Deficit, End of Year	**$ (182,271)**	**$ (181,989)**	**$ (181,989)**
Total Equity	**$ 3,110,540**	**$ 3,282,533**	**$ 3,494,341**

5. Organizational Structure
Operating Divisions

The Pennsylvania General Assembly established the Southeastern Pennsylvania Transportation Authority (SEPTA) on February 18, 1964 to provide public transit services for Bucks, Chester, Delaware, Montgomery and Philadelphia Counties. Over the years, SEPTA acquired the assets of several private transportation operators to form four operating divisions. This distinction permits the efficient implementation of various collective bargaining agreements and the computation of local subsidies. Although the revenue and costs are logically accounted for separately, the operating and staff departments exist in a matrix structure and function as a cohesive unit beneath the following four broad operating divisions:



City Transit Division
SEPTA acquired the assets of the former Philadelphia Transportation Company (PTC) in 1968 forming the current City Transit Division. The City Transit Division, which primarily serves the City of Philadelphia, operates 75 bus routes, 6 light rail (trolley) lines, 3 trackless trolley lines and 2 subway-elevated lines.

Victory Division
The Victory Division, formerly known as the Philadelphia Suburban Transportation Company, serves Chester, Delaware and Montgomery Counties. Also known as Red Arrow until 1970, SEPTA's Victory Division is comprised of 20 bus routes, 2 light rail (trolley) lines and the Norristown High Speed Line.

Frontier Division
The Frontier Division consists of 22 bus routes serving Bucks, Chester and Montgomery Counties. These routes formerly came under the auspices of several private operators including Schuylkill Valley Lines, which was acquired in 1976.

Regional Rail Division
The Regional Railroad serves the City of Philadelphia, as well as Bucks, Chester, Delaware and Montgomery Counties, with service to Newark, Delaware and Trenton and West Trenton, New Jersey. The infrastructure and assets of the Regional Railroad were previously operated by the Pennsylvania and Reading Railroads. These regional rail lines were operated by Conrail from 1976 through 1982, and acquired by SEPTA in 1983.

5. Organizational Structure

SEPTA Board

SEPTA is governed by a Board consisting of fifteen Directors. The City of Philadelphia and the Counties of Bucks, Chester, Delaware and Montgomery each appoint two members to the Board. The Pennsylvania Senate and House collectively appoint four members, and the Governor of Pennsylvania appoints one representative.

Operating and Staff Departments

Corporate Staff
Board Staff
Executive Staff
Office of the General Manager
Deputy General Manager Staff

Audit & Investigative Services
Internal Audit
Office of the Inspector General

Communications

Customer Service & Advocacy
Administration
Advocacy
Customer Development
Customer Service

Engineering, Maintenance & Construction
Administration & Finance
Capital Projects
Civil Engineering
Operations Support
Project Compliance
Project Control
Real Estate

Finance & Planning
Capital Budget and Grant Development
Financial Services
General Accounting
Operating Budget
Payroll
Revenue, Ridership, Advertising, Marketing and Sales
Service Planning
Strategic Planning and Analysis

Human Resources
Employee Services
Equal Employment Opportunity, Affirmative Action & Employee Relations
Human Resources Administration
Recruitment and Talent Management
Operations Training & Management Development

Information Technology
Labor Relations
Office of Innovation

Office of General Counsel
Claims
Corporate
Intake & Intel
Litigation
Workers' Compensation and Insurance

Operations
Administration and Finance
Bus Vehicle Engineering
Rail Vehicle Engineering
Control Center
Customized Community Transportation
Regional Rail
Subway-Elevated
Surface Transportation
Transit Police
Vehicle Equipment Maintenance

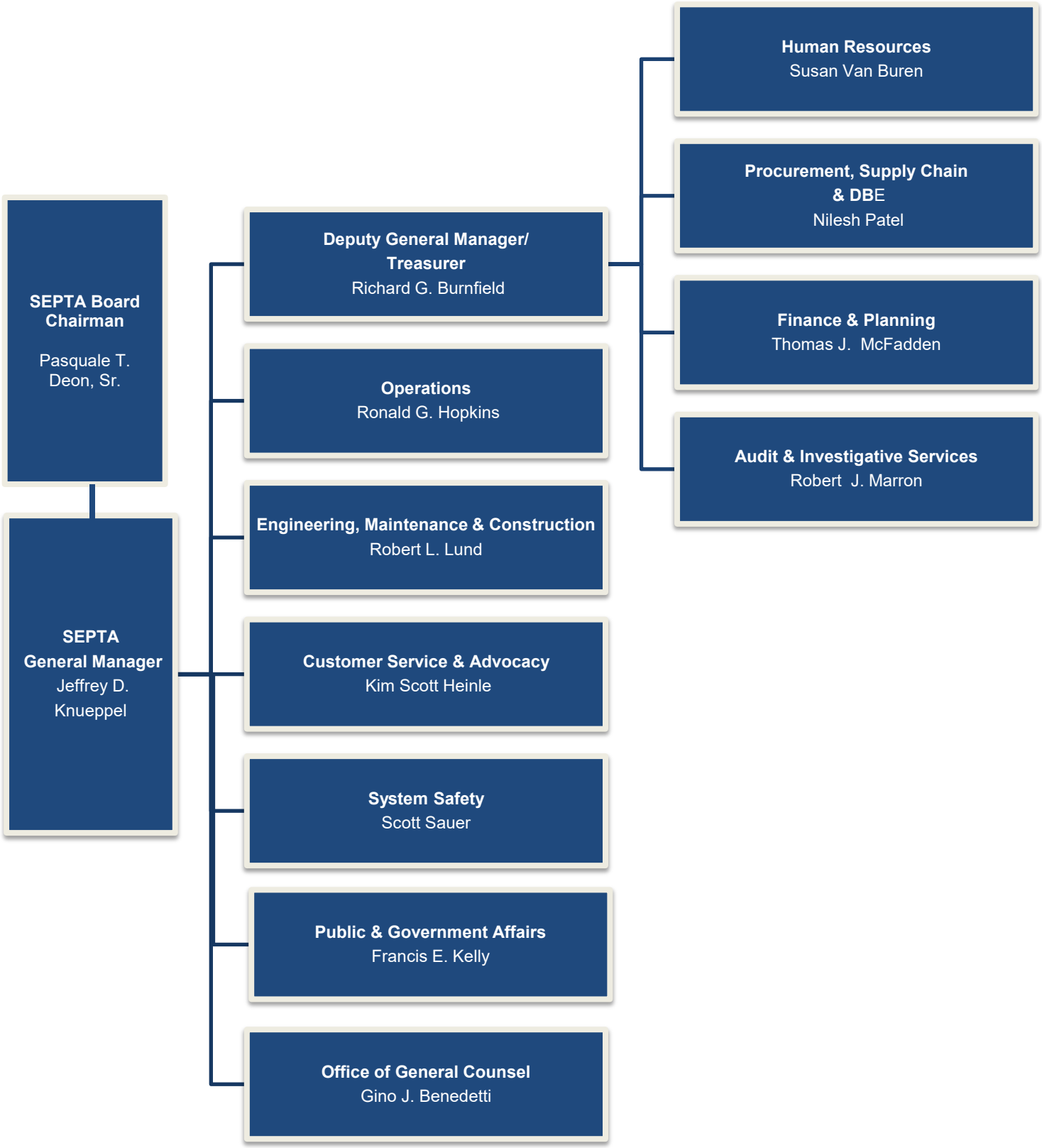
Planning, Project Coordination & Safety

Public & Government Affairs
Public Affairs – Administration/Communications
Public Affairs – Media Relations
Marketing and Promotion
Government Affairs – Federal, State, Region and Community Relations

Procurement, Supply Chain & Disadvantaged Business Enterprise (DBE)
Administration
Disadvantaged Business Enterprise Program
Procurement and Supply Chain Management

System Safety
System Safety
Construction Safety

5. Organizational Structure
General Manager Team Organization Chart



Consolidated
6. Three Year Comparison Fiscal Years 2015-2017

Amounts in thousands ('000)	FY 2015 Actual	FY 2016 Actual	FY 2017 Budget	FY 2017 versus FY 2016
REVENUE				
Passenger Revenue	$ 476,291	$ 470,445	$ 481,500	$ 11,055
Shared Ride Program	20,003	18,575	19,000	425
Other Income	33,756	35,950	34,900	(1,050)
Investment Income	1,543	1,497	1,150	(347)
TOTAL OPERATING REVENUE	**$ 531,593**	**$ 526,467**	**$ 536,550**	**$ 10,083**
EXPENSES				
Labor and Fringe Benefits	$ 933,333	$ 959,502	$ 1,015,016	$ 55,514
Materials and Services	240,906	263,335	278,306	14,971
Injury and Damage Claims	15,858	5,636	28,700	23,064
Propulsion Power	32,121	32,804	35,184	2,380
Fuel	43,816	34,336	25,757	(8,579)
Vehicle and Facility Rental	3,516	4,504	4,076	(428)
OPERATING EXPENSE	**$ 1,269,550**	**$ 1,300,117**	**$ 1,387,039**	**$ 86,922**
Depreciation/Contributed Capital	$ 18,108	$ 18,459	$ 19,500	$ 1,041
TOTAL EXPENSES	**$ 1,287,658**	**$ 1,318,576**	**$ 1,406,539**	**$ 87,963**
DEFICIT BEFORE SUBSIDY	**$ (756,065)**	**$ (792,109)**	**$ (869,989)**	**$ (77,880)**
OPERATING SUBSIDY				
Federal	$ 67,102	$ 77,468	$ 82,327	$ 4,859
State	601,587	625,064	686,615	61,551
Local	84,413	86,548	97,797	11,249
Other	3,193	3,223	3,250	27
TOTAL SUBSIDY	**$ 756,295**	**$ 792,303**	**$ 869,989**	**$ 77,686**
SURPLUS/(DEFICIT)	**$ 230**	**$ 194**	**$ -**	**$ (194)**

City Transit Division
6. Three Year Comparison Fiscal Years 2015-2017

Amounts in thousands ('000)	FY 2015 Actual	FY 2016 Actual	FY 2017 Budget	FY 2017 versus FY 2016
REVENUE				
Passenger Revenue	$ 294,690	$ 288,965	$ 297,335	$ 8,370
Shared Ride Program	20,003	18,575	19,000	425
Other Income	18,912	21,076	20,317	(759)
Investment Income	891	801	618	(183)
TOTAL OPERATING REVENUE	**$ 334,496**	**$ 329,417**	**$ 337,270**	**$ 7,853**
EXPENSES				
Labor and Fringe Benefits	$ 633,610	$ 661,842	$ 703,378	$ 41,536
Materials and Services	135,616	145,174	144,842	(332)
Injury and Damage Claims	19,519	8,560	24,600	16,040
Propulsion Power	13,434	12,933	13,548	615
Fuel	34,470	26,580	20,083	(6,497)
Vehicle and Facility Rental	2,627	3,269	2,675	(594)
OPERATING EXPENSE	**$ 839,276**	**$ 858,358**	**$ 909,126**	**$ 50,768**
Depreciation/Contributed Capital	$ 12,602	$ 12,819	$ 13,210	$ 391
TOTAL EXPENSES	**$ 851,878**	**$ 871,177**	**$ 922,336**	**$ 51,159**
DEFICIT BEFORE SUBSIDY	**$ (517,382)**	**$ (541,760)**	**$ (585,066)**	**$ (43,306)**
OPERATING SUBSIDY				
Federal	$ 26,753	$ 27,551	$ 27,494	$ (57)
State	428,922	450,359	486,495	36,136
Local	60,493	62,882	69,847	6,965
Other	1,377	1,110	1,230	120
TOTAL SUBSIDY	**$ 517,545**	**$ 541,902**	**$ 585,066**	**$ 43,164**
SURPLUS/(DEFICIT)	**$ 163**	**$ 142**	**$ -**	**$ (142)**

Victory Division
6. Three Year Comparison Fiscal Years 2015-2017

Amounts in thousands ('000)	FY 2015 Actual	FY 2016 Actual	FY 2017 Budget	FY 2017 versus FY 2016
REVENUE				
Passenger Revenue	$ 23,377	$ 22,943	$ 23,275	$ 332
Shared Ride Program	-	-	-	-
Other Income	2,173	2,457	2,163	(294)
Investment Income	38	40	33	(7)
TOTAL OPERATING REVENUE	**$ 25,588**	**$ 25,440**	**$ 25,471**	**$ 31**
EXPENSES				
Labor and Fringe Benefits	$ 67,682	$ 67,216	$ 72,573	$ 5,357
Materials and Services	17,308	19,422	18,599	(823)
Injury and Damage Claims	(844)	(1,770)	1,600	3,370
Propulsion Power	1,318	1,219	1,344	125
Fuel	5,200	4,463	2,997	(1,466)
Vehicle and Facility Rental	134	152	144	(8)
OPERATING EXPENSE	**$ 90,798**	**$ 90,702**	**$ 97,257**	**$ 6,555**
Depreciation/Contributed Capital	$ 193	$ 198	$ 215	$ 17
TOTAL EXPENSES	**$ 90,991**	**$ 90,900**	**$ 97,472**	**$ 6,572**
DEFICIT BEFORE SUBSIDY	**$ (65,403)**	**$ (65,460)**	**$ (72,001)**	**$ (6,541)**
OPERATING SUBSIDY				
Federal	$ 3,553	$ 3,392	$ 3,394	$ 2
State	53,897	54,170	59,670	5,500
Local	7,976	7,916	8,937	1,021
Other	-	-	-	-
TOTAL SUBSIDY	**$ 65,426**	**$ 65,478**	**$ 72,001**	**$ 6,523**
SURPLUS/(DEFICIT)	**$ 23**	**$ 18**	**$ -**	**$ (18)**

Frontier Division
6. Three Year Comparison Fiscal Years 2015-2017

Amounts in thousands ('000)	FY 2015 Actual	FY 2016 Actual	FY 2017 Budget	FY 2017 versus FY 2016
REVENUE				
Passenger Revenue	$ 6,726	$ 6,629	$ 6,827	$ 198
Shared Ride Program	-	-	-	-
Other Income	680	717	727	10
Investment Income	11	11	9	(2)
TOTAL OPERATING REVENUE	**$ 7,417**	**$ 7,357**	**$ 7,563**	**$ 206**
EXPENSES				
Labor and Fringe Benefits	$ 25,457	$ 26,102	$ 26,558	$ 456
Materials and Services	2,766	3,133	3,671	538
Injury and Damage Claims	(914)	(691)	300	991
Propulsion Power	-	-	-	-
Fuel	3,516	2,809	2,163	(646)
Vehicle and Facility Rental	49	52	49	(3)
OPERATING EXPENSE	**$ 30,874**	**$ 31,405**	**$ 32,741**	**$ 1,336**
Depreciation/Contributed Capital	$ 49	$ 46	$ 51	$ 5
TOTAL EXPENSES	**$ 30,923**	**$ 31,451**	**$ 32,792**	**$ 1,341**
DEFICIT BEFORE SUBSIDY	**$ (23,506)**	**$ (24,094)**	**$ (25,229)**	**$ (1,135)**
OPERATING SUBSIDY				
Federal	$ 1,241	$ 1,215	$ 1,184	$ (31)
State	18,882	19,428	20,372	944
Local	2,794	2,839	3,053	214
Other	597	618	620	2
TOTAL SUBSIDY	**$ 23,514**	**$ 24,100**	**$ 25,229**	**$ 1,129**
SURPLUS/(DEFICIT)	**$ 8**	**$ 6**	**$ -**	**$ (6)**

Regional Rail Division
6. Three Year Comparison Fiscal Years 2015-2017

Amounts in thousands ('000)	FY 2015 Actual	FY 2016 Actual	FY 2017 Budget	FY 2017 versus FY 2016
REVENUE				
Passenger Revenue	$ 151,498	$ 151,908	$ 154,063	$ 2,155
Shared Ride Program	-	-	-	-
Other Income	11,991	11,700	11,693	(7)
Investment Income	603	645	490	(155)
TOTAL OPERATING REVENUE	**$ 164,092**	**$ 164,253**	**$ 166,246**	**$ 1,993**
EXPENSES				
Labor and Fringe Benefits	$ 206,584	$ 204,342	$ 212,507	$ 8,165
Materials and Services	85,216	95,606	111,194	15,588
Injury and Damage Claims	(1,903)	(463)	2,200	2,663
Propulsion Power	17,369	18,652	20,292	1,640
Fuel	630	484	514	30
Vehicle and Facility Rental	706	1,031	1,208	177
OPERATING EXPENSE	**$ 308,602**	**$ 319,652**	**$ 347,915**	**$ 28,263**
Depreciation/Contributed Capital	$ 5,264	$ 5,396	$ 6,024	$ 628
TOTAL EXPENSES	**$ 313,866**	**$ 325,048**	**$ 353,939**	**$ 28,891**
DEFICIT BEFORE SUBSIDY	**$ (149,774)**	**$ (160,795)**	**$ (187,693)**	**$ (26,898)**
OPERATING SUBSIDY				
Federal	$ 35,555	$ 45,310	$ 50,255	$ 4,945
State	99,886	101,107	120,078	18,971
Local	13,150	12,911	15,960	3,049
Other	1,219	1,495	1,400	(95)
TOTAL SUBSIDY	**$ 149,810**	**$ 160,823**	**$ 187,693**	**$ 26,870**
SURPLUS/(DEFICIT)	**$ 36**	**$ 28**	**$ -**	**$ (28)**

7. Financial Projections Summary of Assumptions

Passenger Revenue

Revenue is expected to grow 1% per year, except in Fiscal Years 2018 and 2021 when scheduled fare increases will take effect.

Shared Ride Revenue

This revenue category is forecasted to grow by approximately 1% each year over the five-year period.

Other Revenue

This other revenue category is expected to increase slightly when compared to Fiscal Year 2017 budget. Income from investments, real estate rentals, advertising, parking lot fees and frequency regulation income from the sale of electric power from storage batteries on the Market Frankford Line back to the Pennsylvania Jersey Maryland (PJM) grid is reflected in this category.

Expenses

Overall expense growth rate is 3% annually with fringe benefits expected to grow at a higher rate due to prescription drugs and medical costs.

The Other Expense categories anticipate third party supplier's price increases, while aggressive management of claims and installation of additional cameras on SEPTA's vehicles and at stations are expected to curtail cost increases in this area.

Subsidy

The subsidy categories reflect the anticipated funding levels of the Public Transportation Trust Fund established by Act 44 of 2007 and as amended by Act 89 of 2013.

7. Financial Projections Consolidated Budget

Amounts in thousands ('000)	Budget FY 2017	Projection FY 2018 fare increase	FY 2019	FY 2020	FY 2021 fare increase	FY 2022
REVENUE						
Passenger Revenue	$ 481,500	$ 510,950	$ 516,060	$ 521,220	$ 550,655	$ 556,160
Shared Ride Revenue	19,000	19,190	19,381	19,578	19,773	19,972
Other Income	36,050	36,410	36,775	37,140	37,510	37,885
TOTAL OPERATING REVENUE	**$ 536,550**	**$ 566,550**	**$ 572,216**	**$ 577,938**	**$ 607,938**	**$ 614,017**
EXPENSES						
Labor & Fringe Benefits	$ 1,015,016	$ 1,046,775	$ 1,079,600	$ 1,113,650	$ 1,148,865	$ 1,185,300
Materials and Services	278,306	286,125	294,737	303,013	311,369	320,159
Injury and Damage Claims	28,700	28,700	28,700	28,700	28,700	28,700
Propulsion Power	35,184	35,850	36,065	36,785	37,550	38,000
Fuel	25,757	27,000	28,080	29,050	30,050	31,070
Other Expenses (Incl. Depreciation)	23,576	24,285	25,015	25,765	26,538	27,335
TOTAL EXPENSES	**$ 1,406,539**	**$ 1,448,735**	**$ 1,492,197**	**$ 1,536,963**	**$ 1,583,072**	**$ 1,630,564**
DEFICIT BEFORE SUBSIDY	**$ (869,989)**	**$ (882,185)**	**$ (919,981)**	**$ (959,025)**	**$ (975,134)**	**$ (1,016,547)**
OPERATING SUBSIDY						
Federal	82,327	83,336	84,640	87,800	88,720	89,726
State	686,615	696,329	728,057	758,561	771,751	806,787
Local	97,797	99,240	103,969	109,314	111,283	116,619
Other	3,250	3,280	3,315	3,350	3,380	3,415
TOTAL SUBSIDY	**$ 869,989**	**$ 882,185**	**$ 919,981**	**$ 959,025**	**$ 975,134**	**$ 1,016,547**
SURPLUS/(DEFICIT)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

8. Annual Service Plan Overview

The Fiscal Year 2017 Annual Service Plan describes service proposals suggested by the general public, government agencies, elected officials and Authority staff, and presents the technical and financial analysis to determine whether the proposals merit implementation. The plan includes items for two operating divisions – City and Suburban Transit. There are no proposals for the Regional Rail Division.

Listed below are the proposed projects for inclusion in the proposed SEPTA FY 2017 Annual Service Plan.

City Transit Operations

- Route 2- Extension to Wayne Junction Regional Rail station during peak travel times.

Suburban Transit Operations

- Route 310 (Horsham Breeze)- Splitting the route into two smaller routes

Proposed Amendments to SEPTA Service Standards and Process

- Revise Vehicle Loading standards

The Fiscal Year 2017 Annual Service Plan does not include any major reductions in service levels or significant diminishment of transit service.

8. Revenue Assumptions By Category

SEPTA receives revenue from several different sources. These can generally be categorized as revenues derived from operations and those obtained from government grants. Government operating assistance grants are classified as Operating Subsidy and discussed in the Operating Subsidy Section of this document. Operating revenue is comprised of four major elements: passenger revenue, shared ride, investment income and other income.

Passenger Revenue

The Fiscal Year 2017 Operating Budget includes passenger revenue of $481.5 million, which includes an increase or 2.3% over the FY 2016 Actual Results.

Shared Ride Program

SEPTA assumed responsibility for the operation of the state funded Shared Ride Program in the City of Philadelphia during Fiscal Year 1993. This year, the program is budgeted at $19.0 million. The program is funded through the State Lottery, funds from the Philadelphia Corporation for the Aging and Shared Ride fares. In Fiscal Year 2017, the Authority projects a total of 740,000 Shared Ride trips.

Other Income

Other revenue includes real estate lease income, parking lot fees, advertising income, frequency regulation income from the sale of electric power from storage batteries on the Market Frankford Line back to the PJM grid, and income from the sale of scrap metal. Total projected revenue for this category is $34.9 million.

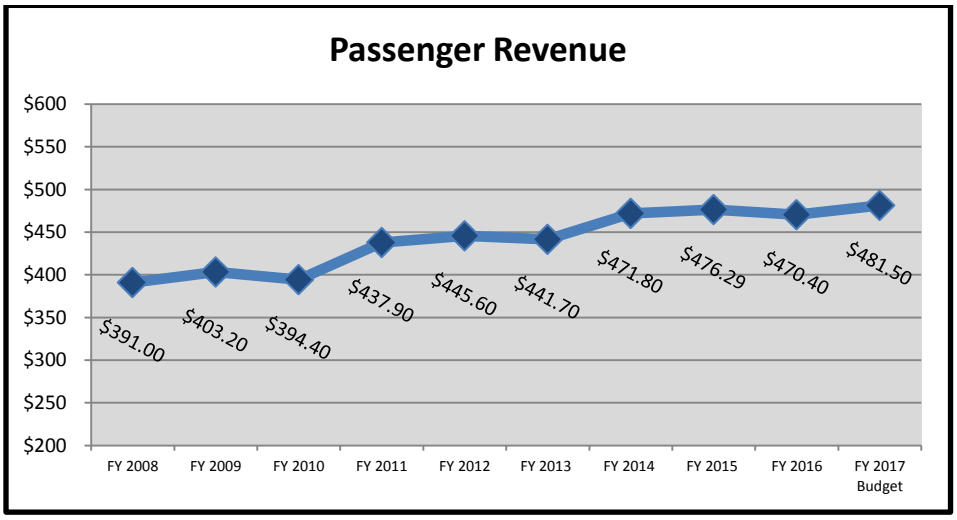
Investment Income

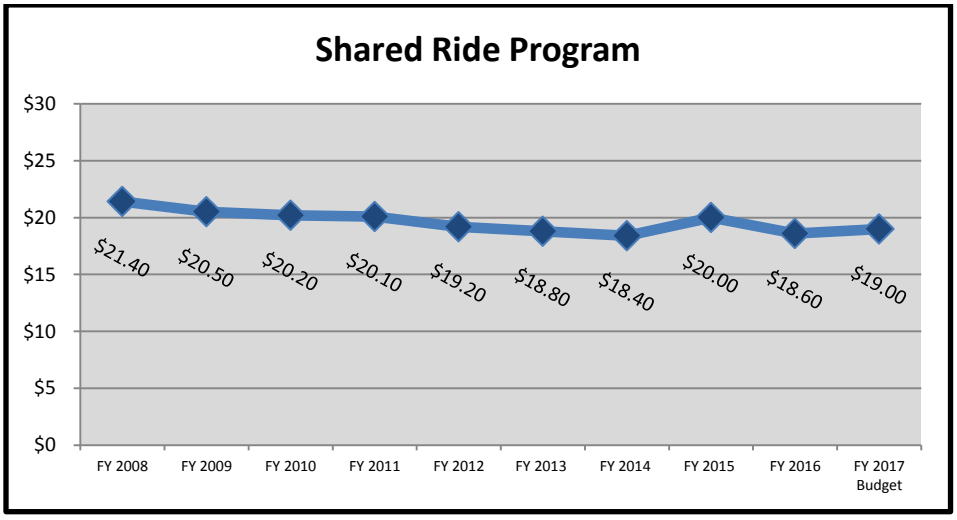
Investment income is budgeted at $1.15 million for Fiscal Year 2017. Investment income results are correlated directly to the financial market conditions.

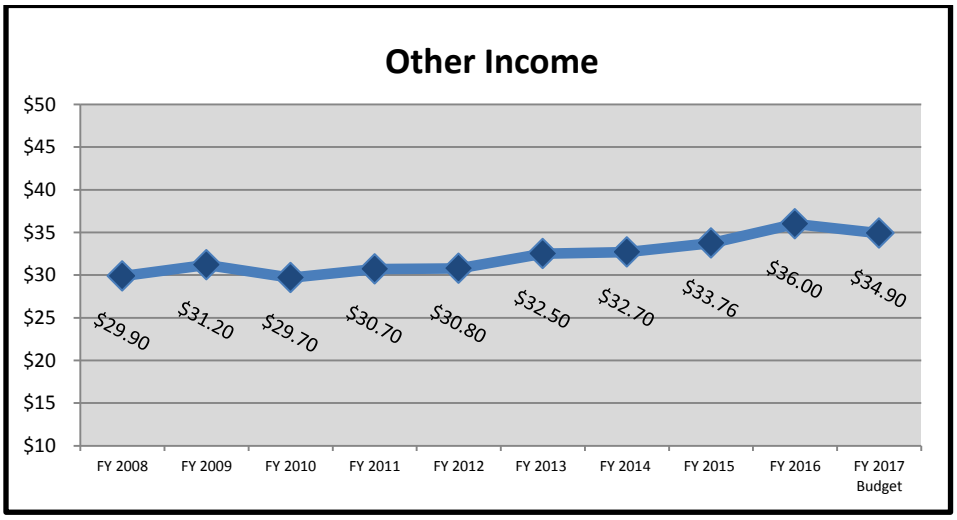
8. Ten Year Revenue Trends

The Authority analyzes a number of factors that affect the Operating Revenue budget. This includes an examination of national, state and local demographic, economic, travel and development trends. In addition, SEPTA evaluates current and potential service levels and other factors affecting ridership and revenue levels. Finally, the Authority considers historical trends in major revenue categories, as illustrated in the following charts:

Amounts in Millions



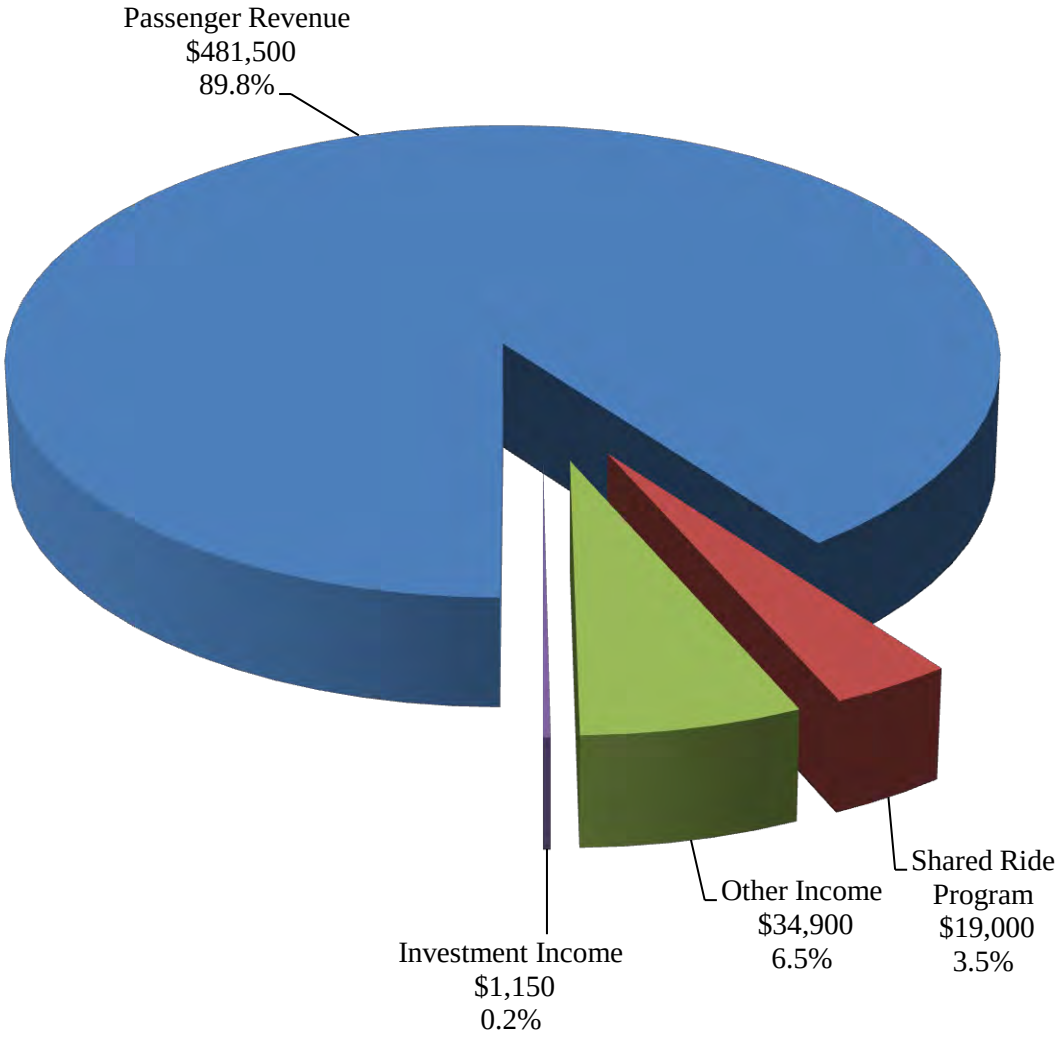




8. Summary of Operating Revenue

TOTAL OPERATING REVENUE = $536,550

In Thousands



9. Subsidy Allocation & Detail

Introduction

Total subsidies in the Fiscal Year 2017 Operating Budget represent $869.9 million and include the following categories: Federal, State, Local, and Other.

Assumptions

Federal

The Federal Government's role in providing operating assistance has steadily declined. In Fiscal Year 1980, Federal Subsidy covered 18.8% of SEPTA's operating expenses. For Fiscal Year 2017, the total Federal Subsidy of $82.3 million covers only 5.9% of the total budgeted operating expense. The source of this subsidy is Federal Preventive Maintenance in the amount of $36.8 million, Federal Capital Lease Subsidy in the amount of $37.4 million and Federal Capital Debt Service Subsidy of $8.1 million.

State

State Operating Subsidy has played an increasingly important role in supporting the Authority's operation. On July 18, 2007, Act 44 of 2007 was signed into law by former Governor Ed Rendell, and was intended to provide a long term funding solution for public transportation agencies throughout the Commonwealth of Pennsylvania. This legislation created the Pennsylvania Public Transportation Trust Fund (PTTF) which provides SEPTA and public transportation providers throughout the Commonwealth with dedicated annual funding for operating expenses. The Trust Fund is funded by 4.4% of state sales tax receipts in the Commonwealth of Pennsylvania and proceeds from bonds issued by the Pennsylvania Turnpike Commission.

In November of 2013, the State Legislature passed Act 89 funding bill which significantly increased funding for SEPTA's Capital Program allowing SEPTA to address its backlog of unfunded capital projects.

9. Subsidy Allocation & Detail

State
SEPTA and other Pennsylvania transit agencies are allocated state funds as determined by the following formula:

State Allocation Formula

Allocation Category	Allocation Percent
Number of Passengers	**25%**
Number of Senior Citizen Passengers	**10%**
Revenue Vehicle Hours	**35%**
Revenue Vehicle Miles	**30%**
Total	**100%**

Operating assistance is provided through Section 1513 of the Trust Fund. In addition, the Commonwealth of Pennsylvania provides state funds for capital lease costs and debt service. SEPTA's debt service expenses and some lease costs are funded through the Capital Program of the Pennsylvania Public Transportation Trust Fund. The remaining leases are funded through Federal Capital Lease Subsidy and Federal Capital Debt Service Subsidy.

Local
The local operating subsidy amount is budgeted at the level of 15% of the operating assistance portion (Section 1513) of the Trust Fund grant. This is the requirement for SEPTA to receive the full amount from this state grant. The local subsidy requirement for each of SEPTA's funded divisions (City Transit, Victory, Frontier, and Regional Rail) is determined by the relative deficits before subsidy in each division as adjusted for Route Guarantees and Lease and Debt Service payments.

Within each funded division, the percentage of the local subsidy required from each county is shown in the table below:

Local Operating Subsidy by County

	City Transit	Victory	Frontier	Regional Rail
Bucks	0.27%	0.00%	37.00%	5.90%
Chester	0.00%	2.00%	17.00%	4.30%
Delaware	0.00%	86.00%	0.00%	8.80%
Montgomery	0.25%	12.00%	46.00%	11.00%
Philadelphia	99.48%	0.00%	0.00%	70.00%
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**

9. Subsidy Allocation & Detail

The operating budget also makes an allowance within the standard formula (on previous page) to properly accommodate the four county utilization of SEPTA's Suburban Paratransit Service operated from the Victory Division. A usage-based allocation formula has been established within the Victory Division for suburban county ADA service. Each suburban county is billed based on the actual ADA Paratransit service used. The prospective utilization for Fiscal Year 2017 is as follows:

Suburban Paratransit Usage by County

Bucks	11%
Chester	9%
Delaware	44%
Montgomery	36%
Total	**100%**

The City of Philadelphia also provides local match for the ADA Paratransit services as part of the City Transit Division match formula.

Route Guarantee

Route Guarantee Subsidies are payments made under separate agreements between SEPTA and various local entities to fully fund the deficits generated by service extensions implemented by specific request. The Fiscal Year 2017 Route Guarantee Subsidy in the City Transit Division includes a University City partnership between Penn Health Systems, the University of the Sciences, and Children's Hospital, which continues the ~~L~~UCY" (Loop through University City) circulator.

In the Frontier Division, the Bucks County Transit Improvement Project (TIP) was implemented in Fiscal Year 2001. It represented the restructuring of six routes with funding provided through a separate agreement with the county. Routes 127, 128, 129 and 130 are guaranteed under this agreement.

An agreement with the Delaware Transit Corporation provides for regional rail service to Wilmington and Newark, Delaware as an extension of the Wilmington/Newark Line.

9. Service Stabilization Fund

Prior to passage of Act 44 in July 2007, former Governor Ed Rendell established the Transportation Funding and Reform Commission. The Commission identified future operating and capital funding needs for highways and transit. Act 44 represented a major milestone for transit funding in the Commonwealth of Pennsylvania. The intent of this legislation was to create a long term funding source which was stable, predictable and with growth potential.

Until Act 44 passed, the majority of state operating subsidies were subject to the annual budget appropriations process. During the decade prior to Act 44, growth in operating subsidies was very limited. SEPTA, along with all public transit agencies in the Commonwealth, experienced very difficult challenges in balancing their operating budgets. In a number of years, SEPTA proposed significant fare increases and severe service reductions as initial measures to balance the Authority's budget. These drastic measures were frequently diffused by eleventh hour, one-time actions.

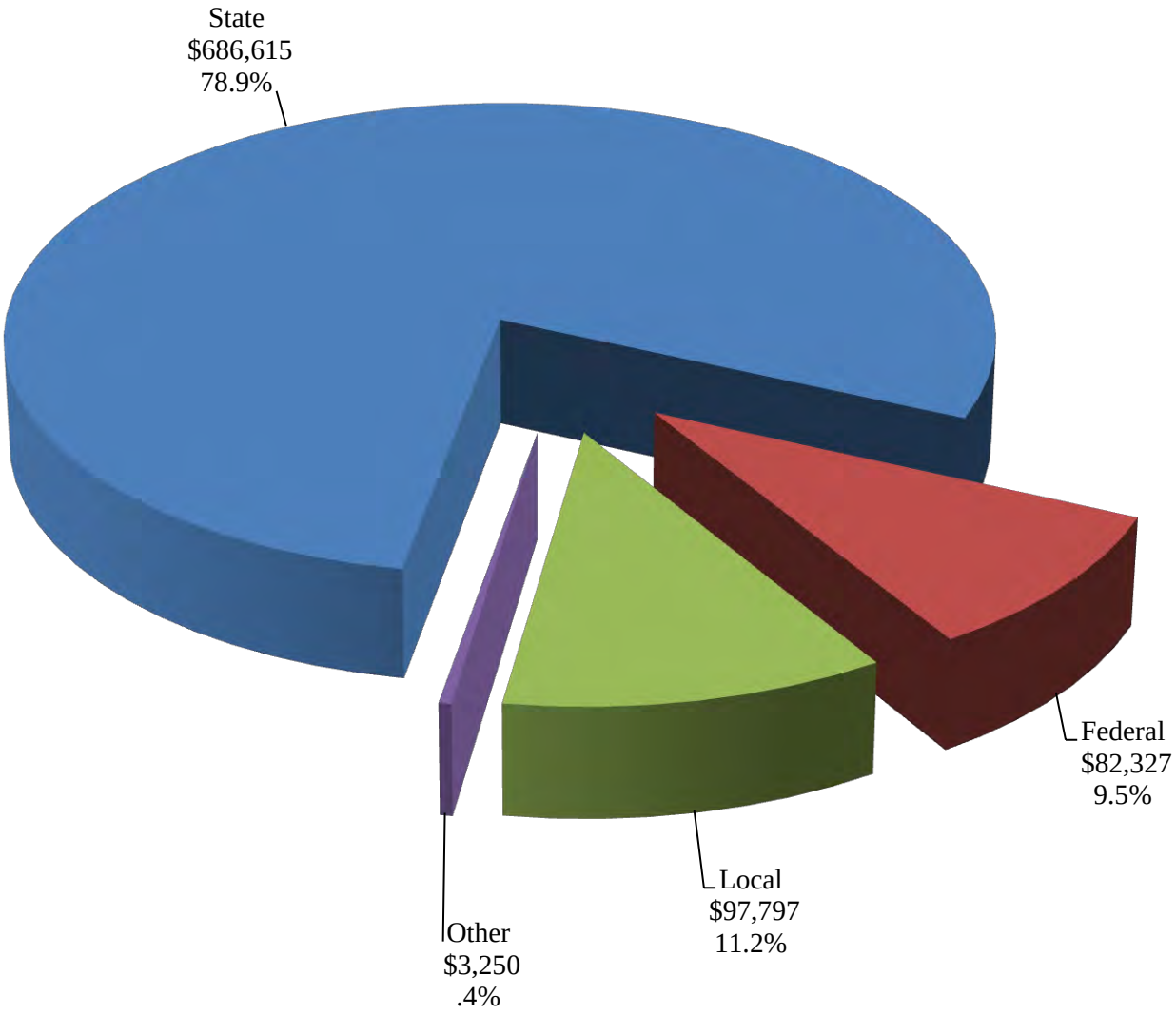
The Act 44 and Act 89 funding programs are intended to provide a long-term funding solution. It is critically important for SEPTA to budget the subsidy funds to ensure that this objective is achieved. The Service Stabilization Fund is necessary to: 1) ensure long-term fiscal stability for SEPTA's operating budget; 2) prevent a future budget crisis; and 3) maintain service levels. Based on future projected growth in state funding and the projected growth in SEPTA's operating expenses and revenues, there will be fiscal years in which the growth in expenses will exceed the growth in state funding. In those years, the Service Stabilization Fund will be used to balance the operating budget avoiding substantial fare increases and/or service cuts.

9. Detail of Subsidies

	Amounts in thousands ('000)				
	City Transit	Victory	Frontier	Regional Rail	Total SEPTA
Federal					
Preventive Maintenance	$ 26,475	$ 3,360	$ 1,175	$ 5,790	$ 36,800
Capital Lease Subsidy	-	-	-	37,412	37,412
Capital Debt Service Subsidy	1,019	34	9	7,053	8,115
Subtotal Federal	**$ 27,494**	**$ 3,394**	**$ 1,184**	**$ 50,255**	**$ 82,327**
State					
Operating Subsidy - (Section 1513)	$ 459,443	$ 59,557	$ 20,343	$ 102,427	$ 641,770
Lease Cost Subsidy - (Section 1514)	911	79	27	194	1,211
Debt Service Subsidy - (Section 1514)	25,893	26	-	6,699	32,618
Match - Capital Lease Subsidy - (Section 1514)	-	-	-	9,052	9,052
Match - Capital Debt Service Subsidy- (Section 1514)	248	8	2	1,706	1,964
Subtotal State	**$ 486,495**	**$ 59,670**	**$ 20,372**	**$ 120,078**	**$ 686,615**
Local (Please see subsequent pages for Detail by County)	**$ 69,847**	**$ 8,937**	**$ 3,053**	**$ 15,960**	**$ 97,797**
Other - Route Guarantees	**$ 1,230**	**$ -**	**$ 620**	**$ 1,400**	**$ 3,250**
TOTAL SUBSIDY	**$ 585,066**	**$ 72,001**	**$ 25,229**	**$ 187,693**	**$ 869,989**

TOTAL SUBSIDIES = $869,989

In Thousands

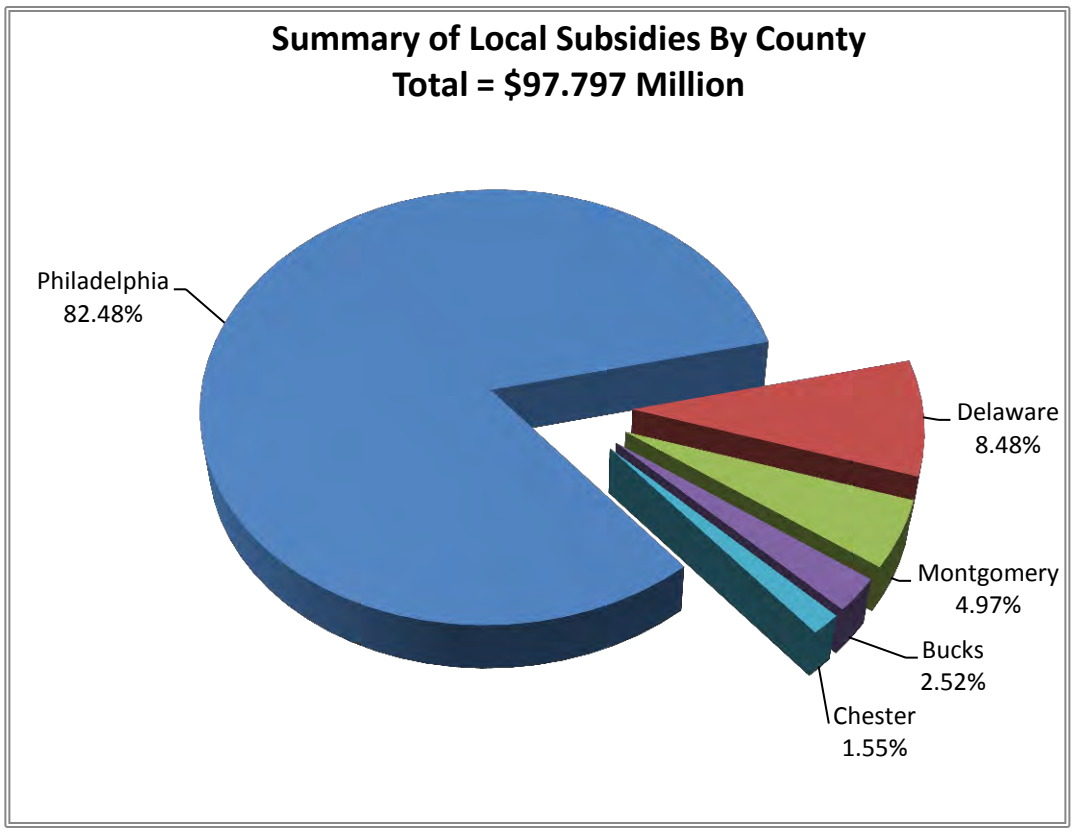


9. Detail of Local Subsidies & Other

Amounts in thousands ('000)	City Transit	Victory	Frontier	Regional Rail	Total SEPTA
Base PA Trust Fund Local Match					
Bucks	$ 186	$ -	$ 1,129	$ 906	$ 2,221
Chester	-	142	519	661	1,322
Delaware	-	6,056	-	1,351	7,407
Montgomery	172	845	1,404	1,690	4,111
Philadelphia	68,558	-	-	10,757	79,315
Subtotal	**$ 68,916**	**$ 7,043**	**$ 3,052**	**$ 15,365**	**$ 94,376**
Suburban Paratransit Local Match					
Bucks	$ -	$ 208	$ -	$ -	$ 208
Chester	-	170	-	-	170
Delaware	-	832	-	-	832
Montgomery	-	680	-	-	680
Philadelphia	-	-	-	-	-
Subtotal	**$ -**	**$ 1,890**	**$ -**	**$ -**	**$ 1,890**
Total Trust Fund Local Subsidy					
Bucks	$ 186	$ 208	$ 1,129	$ 906	$ 2,429
Chester	-	312	519	661	1,492
Delaware	-	6,888	-	1,351	8,239
Montgomery	172	1,525	1,404	1,690	4,791
Philadelphia	68,558	-	-	10,757	79,315
Total Trust Fund Local Subsidy	**$ 68,916**	**$ 8,933**	**$ 3,052**	**$ 15,365**	**$ 96,266**
Local Debt Service Subsidy					
Bucks	$ 2	$ -	$ -	$ 17	$ 19
Chester	-	-	-	12	12
Delaware	-	1	-	25	26
Montgomery	2	-	-	32	34
Philadelphia	897	-	-	201	1,098
Subtotal	**$ 901**	**$ 1**	**$ -**	**$ 287**	**$ 1,189**
Local Lease Cost Subsidy					
Bucks	$ -	$ -	$ -	$ 18	$ 18
Chester	-	-	-	13	13
Delaware	-	3	-	27	30
Montgomery	-	-	1	34	35
Philadelphia	30	-	-	216	246
Subtotal	**$ 30**	**$ 3**	**$ 1**	**$ 308**	**$ 342**
Total Debt Service and Lease Subsidy	**$ 931**	**$ 4**	**$ 1**	**$ 595**	**$ 1,531**
Total Local Subsidy Required	**$ 69,847**	**$ 8,937**	**$ 3,053**	**$ 15,960**	**$ 97,797**
Total Other Route Guarantees	**$ 1,230**	**$ -**	**$ 620**	**$ 1,400**	**$ 3,250**

9. Summary of Local Subsidies

Amounts in thousands ('000)	City Transit	Victory	Frontier	Regional Rail	Total SEPTA
Total Local Subsidy					
Bucks	$ 188	$ 208	$ 1,129	$ 941	$ 2,466
Chester	-	312	519	686	1,517
Delaware	-	6,892	-	1,403	8,295
Montgomery	174	1,525	1,405	1,756	4,860
Philadelphia	69,485	-	-	11,174	80,659
Total Local Subsidy	**$ 69,847**	**$ 8,937**	**$ 3,053**	**$ 15,960**	**$ 97,797**



The total local subsidy required for the Fiscal 2017 Budget is comprised of the following:

Total Trust Fund Local Subsidy (15% Match of Section 1513)	$ 96,266
Debt Service Subsidy Local Match	1,189
Lease Cost Subsidy Local Match	342
Total Local Subsidy Required	**$ 97,797**

10. Expense Assumptions By Category

LABOR & FRINGE BENEFITS

The Fiscal Year 2017 Operating Budget reflects prior pattern labor wage increases as a result of existing negotiated labor agreements. Healthcare, prescription drugs, retirement benefits and workers' compensation and FELA account for the majority of the increase in fringe benefit costs.

SEPTA's net labor cost includes a credit for labor expense from the operating to the capital budget for costs associated with capital projects.

MATERIAL & SERVICES

Material & Services (M&S) includes replacement parts for fleet and infrastructure inventory as well as various services including utilities, snow removal, Amtrak trackage rights and paratransit contract services.

SEPTA experienced increased expense for Amtrak trackage access and costs with the implementation of PRIIA (Passenger Rail Investment and Improvement Act of 2008) effective October 2015. Through this Federal Act, Congress mandated that a standardized methodology be developed to allocate costs among Northeast Corridor (NEC) owners and operators that ensure each agency take the full financial responsibility for its use of shared NEC infrastructure and related facilities. The program will be phased in over the next several years and impacts the Authority's budget for both Amtrak trackage access and certain station rental costs.

INJURY & DAMAGE CLAIMS

Claims expense includes self-insured claims payouts and reserve adjustments.

PROPULSION POWER

Revenue vehicle propulsion power expense is calculated based on estimated kilowatt-hour usage and rates.

FUEL

Fuel expense is based on budgeted miles of vehicle operation and estimated rates.

RENTAL EXPENSE

Rental expense covers all operating lease rentals due for fixed facilities, including departmental rents and short-term non-revenue vehicle and equipment leases.

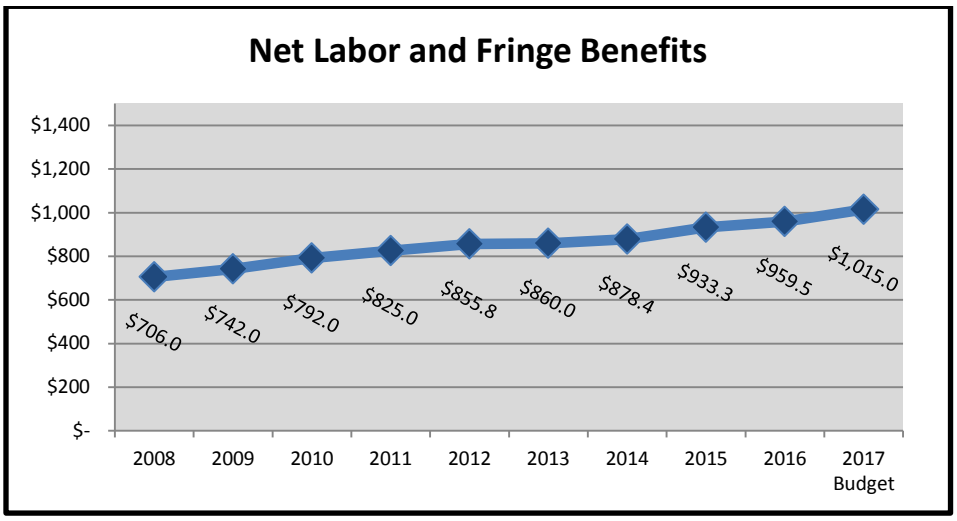
DEPRECIATION

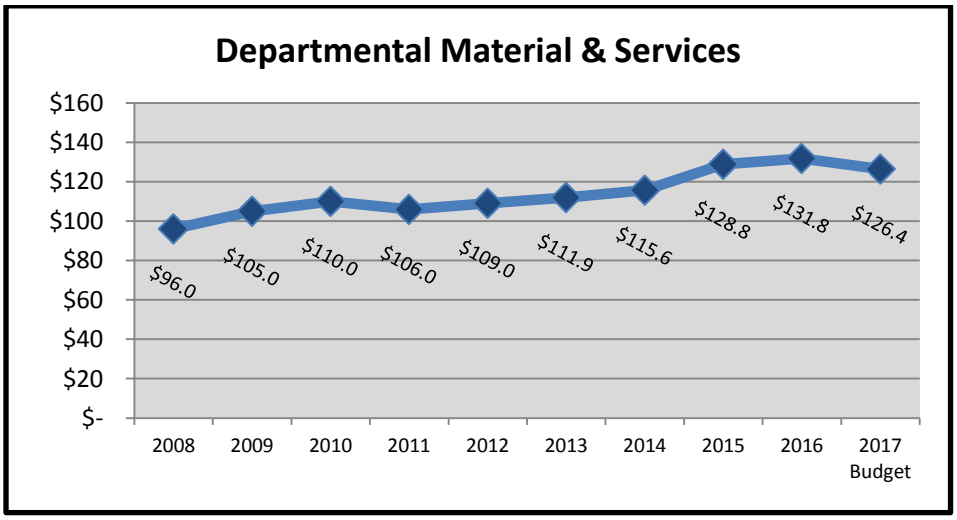
Depreciation expense is the amortization of the cost of the Authority's fixed assets over their estimated useful lives net of the amortization of contributed capital.

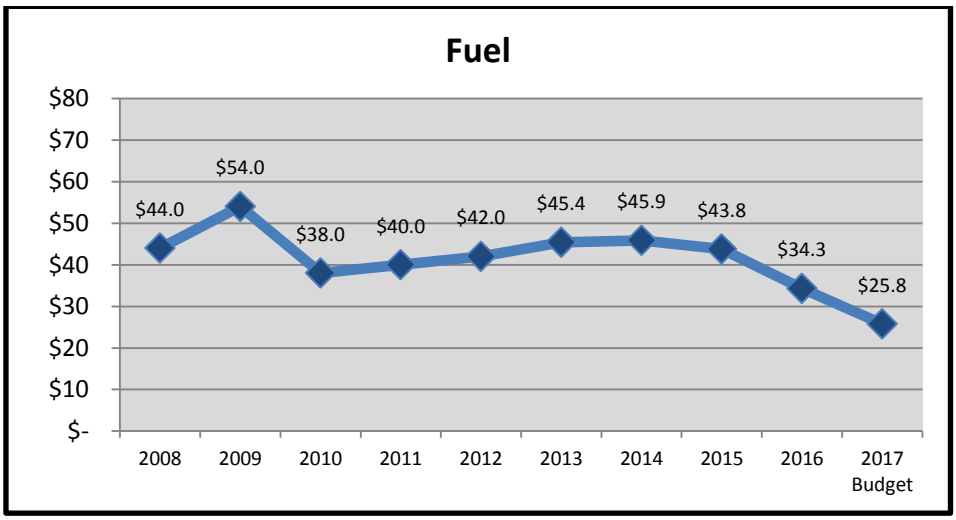
10. Ten Year Expense Trends

In developing the Operating Budget, the Authority considers issues that affect both the individual area of expense, as well as national, state and local economic conditions. In addition, SEPTA focuses on historical trends in major expense categories, as illustrated in the following charts:

Amounts in Millions

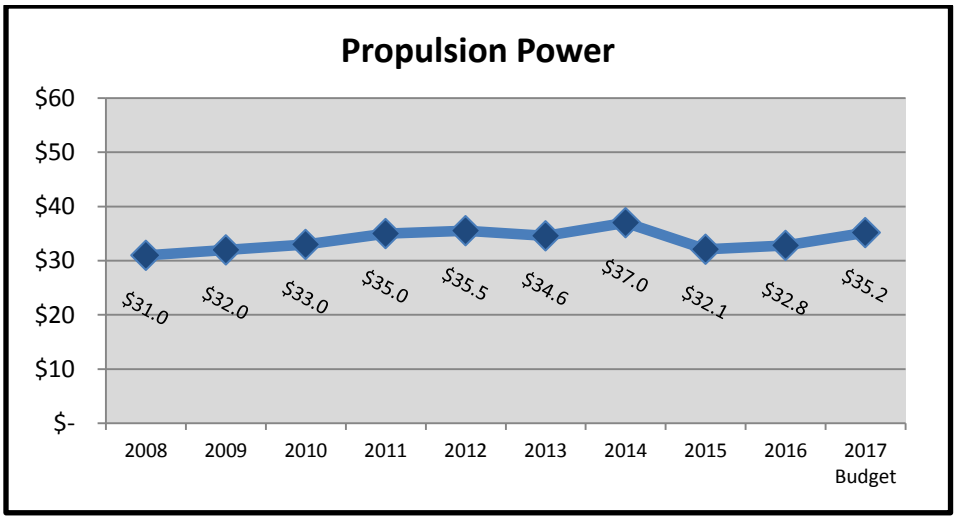


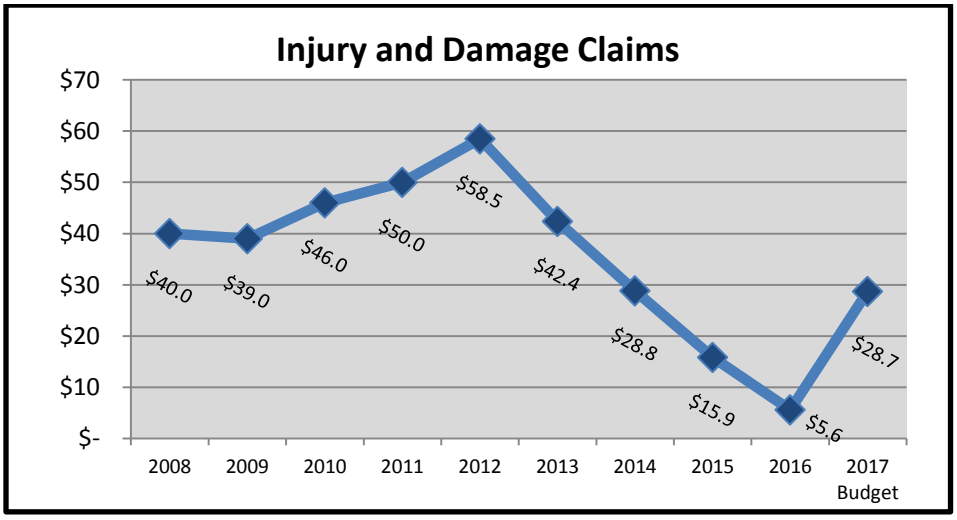


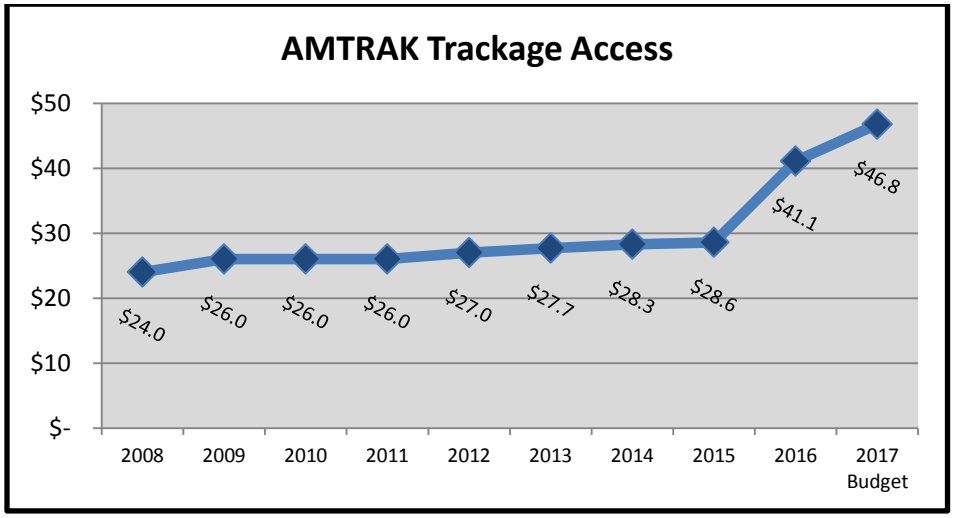


10. Ten Year Expense Trends

Amounts in Millions



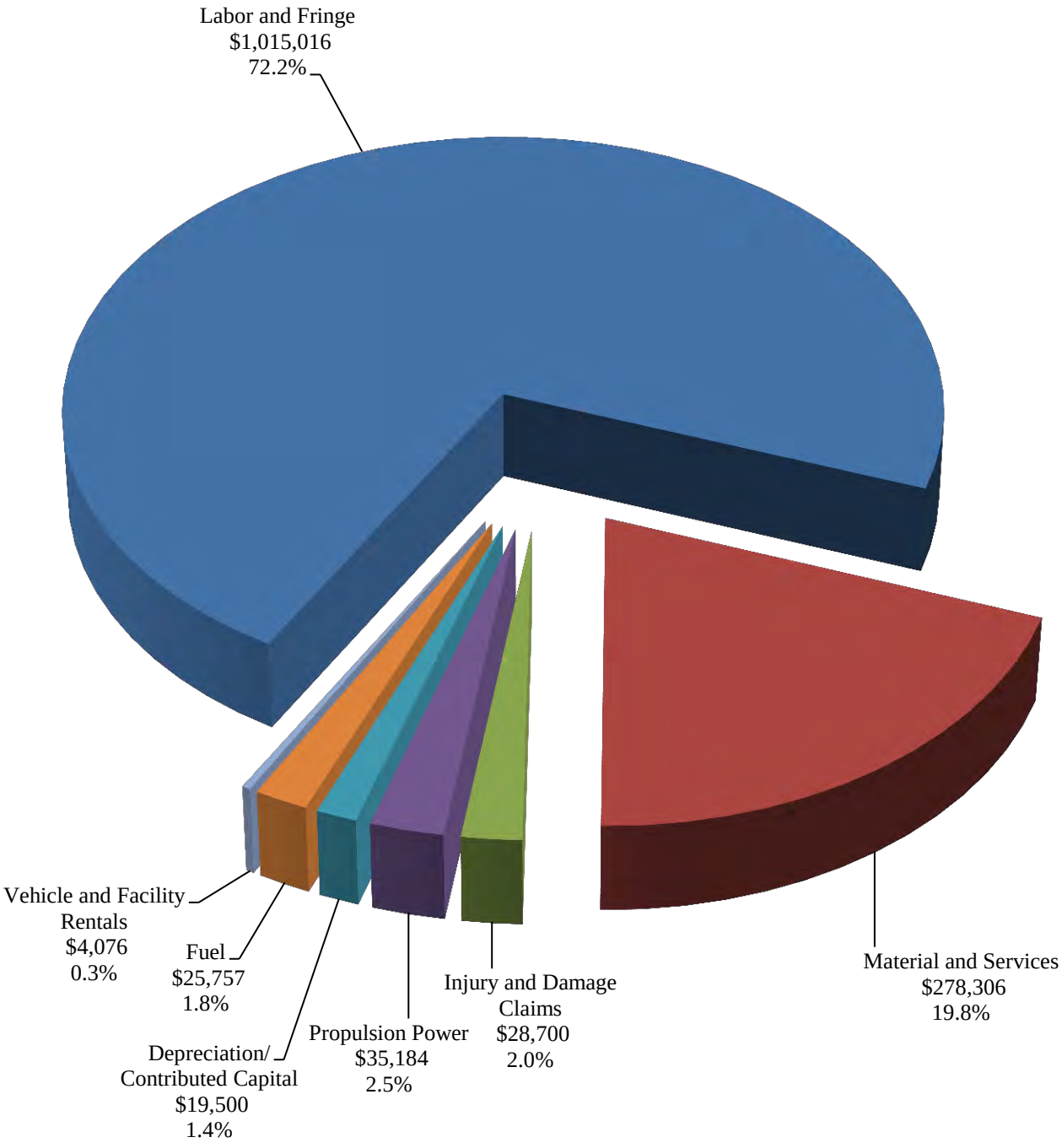




10. Summary of Operating Expenses

TOTAL OPERATING EXPENSES = $1,406,539

In Thousands



10. FY 2017 Budget Detail of Expenses In 000's

Division/Departmental Expenses	Net Labor	M & S	Total
OPERATIONS			
Administration and Finance	$ 256	$ 271	$ 527
Bus Engineering	1,326	2,858	4,184
Rail Engineering	1,440	90	1,530
Control Center	8,243	275	8,518
Customized Community Transportation	8,341	3,454	11,795
New Payment Technologies	113	1	114
Operations Staff	1,674	10	1,684
Rail Transportation-Subway-Elevated	63,496	3,251	66,747
Rail Transportation - Regional Rail	65,592	17,369	82,961
Surface Transportation	209,547	529	210,076
Transit Police	20,499	1,137	21,636
Vehicle Equipment Maintenance	109,241	44,276	153,517
Total Operations	**$ 489,768**	**$ 73,521**	**$ 563,289**
Engineering, Maintenance & Construction	**$ 76,063**	**$ 25,135**	**$ 101,198**
STAFF DEPARTMENTS			
Audit and Investigative Services	$ 1,560	$ 52	$ 1,612
Corporate Staff	2,236	201	2,437
Communications	1,282	1,132	2,414
Customer Service and Advocacy	5,289	458	5,747
Deputy General Manager Staff	1,402	20	1,422
Finance and Planning	11,341	2,489	13,830
Human Resources	12,977	1,378	14,355
Information Technology	5,781	5,596	11,377
Labor Relations	1,114	241	1,355
Office of Innovation	397	230	627
Office of General Counsel	8,547	13,826	22,373
Planning, Project Coordination & Safety	108	14	122
Procurement, Supply Chain & DBE	9,730	389	10,119
Public and Government Affairs	1,541	4,748	6,289
System Safety	1,948	1,081	3,029
Total Staff Departments	**$ 65,253**	**$ 31,855**	**$ 97,108**
Capital Allocation	(8,492)	(4,076)	(12,568)
Total Departmental Expenses	**$ 622,592**	**$ 126,435**	**$ 749,027**
NON-DEPARTMENTAL EXPENSES			
Fringe Benefits	$ 392,424	$ -	$ 392,424
Amtrak/Capitalized Cost and Other	-	49,644	49,644
CCT - ADA Services	-	30,450	30,450
CCT - Shared Ride Program	-	20,900	20,900
Debt Service Interest and Fees	-	18,487	18,487
Property Insurance/Other Claims Payouts, Net	-	3,036	3,036
Services for 1234 Market Street	-	5,000	5,000
Snow Removal and Other Weather Related Expenses	-	5,850	5,850
Utilities	-	18,504	18,504
Total Non-Departmental Expenses	**$ 392,424**	**$ 151,871**	**$ 544,295**
OTHER OPERATING EXPENSES			
Injury and Damage Claims	$ -	$ 28,700	$ 28,700
Propulsion Power	-	35,184	35,184
Fuel	-	25,757	25,757
Vehicle and Facility Rentals	-	4,076	4,076
Depreciation/Contributed Capital	-	19,500	19,500
Total Other Expenses	**$ -**	**$ 113,217**	**$ 113,217**
TOTAL EXPENSES	**$ 1,015,016**	**$ 391,523**	**$ 1,406,539**

10. FY 2017 Budget Allocation By Company In 000's

Division/Departmental Expenses	Headquarters	City Transit	Victory	Frontier	Regional Rail	Total
OPERATIONS						
Administration and Finance	527	-	-	-	-	527
Bus Engineering	330	3,854	-	-	-	4,184
Rail Engineering	-	1,519	-	-	11	1,530
Control Center	817	3,294	485	-	3,922	8,518
Customized Community Transportation	9,653	1,145	-	997	-	11,795
New Payment Technologies	113	-	-	-	1	114
Operations Staff	1,684	-	-	-	-	1,684
Rail Transportation-Subway-Elevated	13,612	53,074	-	-	61	66,747
Rail Transportation - Regional Rail	334	182	-	-	82,445	82,961
Surface Transportation	-	168,747	28,414	12,915	-	210,076
Transit Police	21,636	-	-	-	-	21,636
Vehicle Equipment Maintenance	9	104,366	10,874	5,394	32,874	153,517
Total Operations	**$ 48,715**	**$ 336,181**	**$ 39,773**	**$ 19,306**	**$ 119,314**	**$ 563,289**
Engineering, Maintenance & Construction	**3,412**	**62,427**	**5,757**	**-**	**29,602**	**101,198**
STAFF DEPARTMENTS						
Audit and Investigative Services	1,612	-	-	-	-	1,612
Corporate Staff	2,437	-	-	-	-	2,437
Communications	2,134	150	-	-	130	2,414
Customer Service and Advocacy	5,745	-	-	-	2	5,747
Deputy General Manager Staff	1,422	-	-	-	-	1,422
Finance and Planning	13,272	302	-	-	256	13,830
Human Resources	8,453	3,033	418	131	2,320	14,355
Information Technology	11,377	-	-	-	-	11,377
Labor Relations	971	384	-	-	-	1,355
Office of Innovation	627	-	-	-	-	627
Office of General Counsel	12,810	4,458	-	-	5,105	22,373
Planning, Project Coordination & Safety	-	122	-	-	-	122
Procurement, Supply Chain & DBE	8,715	287	-	-	1,117	10,119
Public and Government Affairs	6,289	-	-	-	-	6,289
System Safety	3,029	-	-	-	-	3,029
Total Staff Departments	**$ 78,893**	**$ 8,736**	**$ 418**	**$ 131**	**$ 8,930**	**$ 97,108**
Capital Allocation	(8,492)	(2,675)	(144)	(49)	(1,208)	(12,568)
Headquarters Allocation	(122,528)	92,202	8,050	2,720	19,556	-
Total Departmental Expenses	**$ -**	**$ 496,871**	**$ 53,854**	**$ 22,108**	**$ 176,194**	**$ 749,027**
NON-DEPARTMENTAL EXPENSES						
Fringe Benefits	54,997	237,897	21,862	6,812	70,856	392,424
Amtrak/Capitalized Cost and Other	(1,996)	4,865	(217)	(372)	47,364	49,644
CCT - ADA Services	-	19,950	10,500	-	-	30,450
CCT - Shared Ride Program	-	20,900	-	-	-	20,900
Debt Service Interest and Fees	5,800	6,069	-	6	6,612	18,487
Property Insurance/Other Claims Payouts,Net	(300)	1,980	53	21	1,282	3,036
Services for 1234 Market Street	5,000	-	-	-	-	5,000
Snow Removal and Other Weather Related Expenses	-	-	-	-	5,850	5,850
Utilities	3,914	8,958	691	157	4,784	18,504
Headquarters Allocation	(67,415)	50,730	4,429	1,497	10,759	-
Total Non-Departmental Expenses	**$ -**	**$ 351,349**	**$ 37,318**	**$ 8,121**	**$ 147,507**	**$ 544,295**
OTHER OPERATING EXPENSES						
Injury and Damage Claims	-	24,600	1,600	300	2,200	28,700
Propulsion Power	-	13,548	1,344	-	20,292	35,184
Fuel	-	20,083	2,997	2,163	514	25,757
Vehicle and Facility Rentals	-	2,675	144	49	1,208	4,076
Depreciation/Contributed Capital	-	13,210	215	51	6,024	19,500
Total Other Expenses	**$ -**	**$ 74,116**	**$ 6,300**	**$ 2,563**	**$ 30,238**	**$ 113,217**
TOTAL EXPENSES	**$ -**	**$ 922,336**	**$ 97,472**	**$ 32,792**	**$ 353,939**	**$ 1,406,539**

10. FY 2016 Detail of Actual Expenses In 000's

Division/Departmental Expenses	Net Labor	M & S	Total
OPERATIONS/ENGINEERING, MAINTENANCE & CONSTRUCTION DIVISION			
Administration and Finance	$ 239	$ 469	$ 708
Communications	1,098	884	1,982
Deputy General Manager Staff	1,300	56	1,356
Labor Relations	1,098	140	1,238
New Payment Technologies	81	2	83
Planning, Project Coordination & Safety	79	-	79
Total DGM Departments	**$ 3,895**	**$ 1,551**	**$ 5,446**
OPERATIONS			
Bus Engineering	$ 1,171	$ 3,545	$ 4,716
Rail Engineering	1,067	64	1,131
Bus Vehicle Maintenance	52,274	26,374	78,648
Rail Vehicle Maintenance	59,010	20,071	79,081
Control Center	8,250	249	8,499
Customized Community Transportation	7,598	2,878	10,476
Operations Staff	1,539	10	1,549
Rail Transportation- Subway-Elevated	62,143	2,374	64,517
Rail Transportation- Regional Rail	63,126	16,800	79,926
Surface Transportation	203,716	416	204,132
Transit Police	19,934	901	20,835
Total Operations	**$ 479,828**	**$ 73,682**	**$ 553,510**
Capital Projects	1,663	3,716	5,379
Operations Support	72,025	25,440	97,465
Total Engineering, Maintenance & Construction	**$ 73,688**	**$ 29,156**	**$ 102,844**
Total Operations/Engineering, Maintenance & Construction	**$ 557,411**	**$ 104,389**	**$ 661,800**
STAFF DEPARTMENTS			
Corporate Staff	$ 2,744	$ 126	$ 2,870
Audit and Investigative Services	1,387	42	1,429
Procurement, Supply Chain & DBE	9,409	359	9,768
Information Technology	5,023	4,826	9,849
Customer Service and Advocacy	4,919	425	5,344
Finance and Planning	11,145	2,296	13,441
Human Resources	12,368	1,029	13,397
Office of Innovation	126	43	169
Office of General Counsel	7,769	16,644	24,413
Public and Government Affairs	1,370	3,244	4,614
System Safety	1,615	501	2,116
Total Staff Departments	**$ 57,875**	**$ 29,535**	**$ 87,410**
Capital Allocation/Other	(6,545)	(3,067)	(9,612)
Total Departmental Expenses	**$ 608,741**	**$ 130,857**	**$ 739,598**
NON-DEPARTMENTAL EXPENSES			
Fringe Benefits	$ 350,761	$ -	$ 350,761
Amtrak/Capitalized Cost and Other	-	41,785	41,785
CCT - ADA Services	-	27,777	27,777
CCT - Shared Ride Program	-	20,151	20,151
Debt Service Interest and Fees	-	18,297	18,297
Property Insurance/Other Claims Payouts,Net		849	849
Services for 1234 Market Street	-	4,191	4,191
Snow Removal	-	1,899	1,899
Utilities	-	17,529	17,529
Total Non-Departmental Expenses	**$ 350,761**	**$ 132,478**	**$ 483,239**
OTHER OPERATING EXPENSES			
Injury and Damage Claims	$ -	$ 5,636	$ 5,636
Propulsion Power	-	32,804	32,804
Fuel	-	34,336	34,336
Vehicle and Facility Rentals	-	4,504	4,504
Depreciation/Contributed Capital	-	18,459	18,459
Total Other Expenses	**$ -**	**$ 95,739**	**$ 95,739**
TOTAL EXPENSES	**$ 959,502**	**$ 359,074**	**$ 1,318,576**

11. Headcount Authorizations

HEADCOUNT DESIGNATIONS

Organization Overview

The organization, staffing and expenses are shown for each division in the Departmental Summaries Section, including subtotals by department. Positions are designated as A, B or H, further segregated by Operating or Capital. The following definitions shall apply throughout this section:

SAM (A)…….	Supervisory, Administrative and Management employees.
B-Roll (B)……..	Unionized clerical IBT and storeroom employees.
Maintenance, …….. Transportation, or Cashiers (H)	Hourly maintenance, transportation, cashiers, police officers and railroad employees.
Capital……...	Positions supported by Federal, State, or Local capital funding initiatives.

11. Fiscal Year 2017 Headcount Authorization

Operating Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
			Fiscal Year 2017			
Audit & Investigative Services	16		4	-	-	20
Corporate Staff	14	-	-	-	-	14
Communications	11	5	3			19
Customer Service & Advocacy	23	61				84
Deputy General Manager Staff	9					9
Finance & Planning	114	56	-	-	-	170
Human Resources	143	17	-	-	-	160
Information Technology	66	5	-	-	-	71
Labor Relations	9	-	5	-	-	14
Office of Innovation	5	-	-	-	-	5
Office of General Counsel	94	24				118
Operations	908	174	1,973	3,507	338	6,900
Engineering, Maintenance & Construction	201	69	798	-	-	1,068
Planning, Project Coordination & Safety	1	-	-	-	-	1
Procurement, Supply Chain & DBE	84	59	3	-	-	146
Public & Government Affairs	20	-	-	-	-	20
System Safety	24	-	-	-	-	24
Total Operating Heads	**1,742**	**470**	**2,786**	**3,507**	**338**	**8,843**

Capital Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
			Fiscal Year 2017			
Audit & Investigative Services	-	-	-	-	-	-
Corporate Staff	1	-	-	-	-	1
Communications	-	-	-	-	-	-
Customer Service & Advocacy	-	-	-	-	-	-
Deputy General Manager Staff	-	-	-	-	-	-
Finance & Planning	6	-	-	-	-	6
Human Resources	-	-	-	-	-	-
Information Technology	-	-	-	-	-	-
Labor Relations	-	-	-	-	-	-
Office of Innovation	-	-	-	-	-	-
Office of General Counsel	-	-	-	-	-	-
Operations	77	5	222	18	-	322
Engineering, Maintenance & Construction	152	7	300	-	-	459
Planning, Project Coordination & Safety	3	-	-	-	-	3
Procurement, Supply Chain & DBE	14	2	-	-	-	16
Public & Government Affairs	-	-	-	-	-	-
System Safety	3	-	-	-	-	3
Total Capital Heads	**256**	**14**	**522**	**18**	**-**	**810**

11. Fiscal Year 2017 Headcount Authorization

	Fiscal Year 2017					
Total Heads	**SAM**	**IBT**	**Maint.**	**Transp.**	**Cashiers**	**Total**
Audit & Investigative Services	16	-	4	-	-	20
Corporate Staff	15	-	-	-	-	15
Communications	11	5	3	-	-	19
Customer Service & Advocacy	23	61	-	-	-	84
Deputy General Manager Staff	9	-	-	-	-	9
Finance & Planning	120	56	-	-	-	176
Human Resources	143	17	-	-	-	160
Information Technology	66	5	-	-	-	71
Labor Relations	9	-	5	-	-	14
Office of Innovation	5	-	-	-	-	5
Office of General Counsel	94	24	-	-	-	118
Operations	985	179	2,195	3,525	338	7,222
Engineering, Maintenance & Construction	353	76	1,098	-	-	1,527
Planning, Project Coordination & Safety	4	-	-	-	-	4
Procurement, Supply Chain & DBE	98	61	3	-	-	162
Public & Government Affairs	20	-	-	-	-	20
System Safety	27	-	-	-	-	27
Total Heads	**1,998**	**484**	**3,308**	**3,525**	**338**	**9,653**

11. Fiscal Year 2013 - 2017 Headcount Authorization

Operating Heads	2013	2014	2015	2016	2017
Audit & Investigative Services	40	39	37	20	20
Corporate Staff	16	17	17	18	14
Communications					19
Customer Service & Advocacy	95	90	82	82	84
Deputy General Manager Staff					9
Operations	6,628				6,900
Engineering, Maintenance & Construction	1,182				1,068
Operations/Engineering, Maintenance & Construction		7,824	7,874	7,895	
Finance & Planning	186	182	179	179	170
Human Resources	159	159	159	159	160
Information Technology					71
Labor Relations					14
Office of Innovation					5
Office of General Counsel	107	117	111	115	118
Planning, Project Coordination & Safety					1
Procurement, Supply Chain & DBE	211	211	211	218	146
Public & Government Affairs	21	20	20	20	20
System Safety				22	24
Total Operating Heads	**8,645**	**8,659**	**8,690**	**8,728**	**8,843**

Capital Heads	2013	2014	2015	2016	2017
Audit & Investigative Services	-	-	3	-	-
Corporate Staff	-	-	-	-	1
Communications					
Customer Service & Advocacy	-	-	-	-	-
Deputy General Manager Staff					-
Operations	357				322
Engineering, Maintenance & Construction	414				459
Operations/Engineering, Maintenance & Construction		763	825	855	
Finance & Planning	5	6	4	5	6
Human Resources	-	-	-	-	-
Information Technology					
Office of Innovation					
Office of General Counsel	-	-	-	-	-
Planning, Project Control & Safety					3
Procurement, Supply Chain & DBE	12	12	12	13	16
Public & Government Affairs	-	-	-	-	-
System Safety				3	3
Total Capital Heads	**788**	**781**	**844**	**876**	**810**

11. Fiscal Year 2013 - 2017 Headcount Authorization

Total Heads	2013	2014	2015	2016	2017
Audit & Investigative Services	40	39	40	20	20
Corporate Staff	16	17	17	18	15
Communications					19
Customer Service & Advocacy	95	90	82	82	84
Deputy General Manager Staff					9
Operations	6,985				7,222
Engineering, Maintenance & Construction	1,596				1,527
Operations/Engineering, Maintenance & Construction		8,587	8,699	8,750	
Finance & Planning	191	188	183	184	176
Human Resources	159	159	159	159	160
Information Technology					71
Labor Relations					14
Office of Innovation					5
Office of General Counsel	107	117	111	115	118
Planning, Project Control & Safety					4
Procurement, Supply Chain & DBE	223	223	223	231	162
Public & Government Affairs	21	20	20	20	20
System Safety				25	27
Total Heads	**9,433**	**9,440**	**9,534**	**9,604**	**9,653**

Headcount Authorization Cause of Change
11. Fiscal Year 2016 to Fiscal Year 2017

	Fiscal Year 2017 Authorized Headcount	9,653
Division / Department	**Cause of Change**	
Control Center	• Two SAM positions to support Control Center Rail Operations	2
Corporate Staff	• One SAM position transferred from DGM Staff due to reorganization • Four SAM positions transferred to DGM Staff due to reorganization	-3
Customer Service & Advocacy	• Two clerical positions to support SEPTA Key	2
Customized Community Transportation (CCT)	• Note that sixty-five positions previously classified as capital have been reclassified as operating heads to reflect the external operating funding stream associated with the program	-
Deputy General Manager Staff	• One SAM position transferred from Finance due to reorganization • One SAM position transferred from Procurement, Supply Chain and DBE due to reorganization • Four SAM positions transferred from Corporate Staff due to reorganization • One SAM position transferred to Corporate Staff due to reorganization • Two SAM positions transferred to Operations Staff due to reorganization • Three SAM positions transferred to EM&C due to reorganization • Six Maintenance positions transferred to EM&C due to reorganization	-7
Engineering, Maintenance and Construction	• Seven Maintenance (includes 2 capital heads) positions to support interlocking, switches and track maintenance projects • Eleven SAM positions (includes 1 capital head) to supervise increase in project workload • Two SAM positions transferred from Planning, Project Coordination and Safety due to reorganization • Three SAM positions transferred from DGM Staff due to reorganization • Six Maintenance positions transferred from DGM Staff due to reorganization • One SAM position transferred to Office of General Counsel due to reorganization • One SAM position transferred from Human Resources	29

Headcount Authorization Cause of Change
11. Fiscal Year 2016 to Fiscal Year 2017

Division / Department	Cause of Change	
Finance and Planning	• One SAM position to manage Public Financing • One SAM position to support the King of Prussia Rail project • Two SAM positions transferred to Office of Innovation due to reorganization • One SAM position transferred to DGM Staff due to reorganization • Seven SAM positions transferred to the Rail Transportation Regional Rail Division due to reorganization	-8
Human Resources	• One SAM position to manage ADA related cases • One SAM position for engineer training • One SAM position transferred to EM&C due to reorganization	1
Information Technology	• Two SAM positions for cyber security related projects	2
Office of General Counsel	• Two SAM positions for 24 hour video surveillance • One SAM position transferred from EM&C due to reorganization	3
Office of Innovation	• Three SAM positions to staff new department • Two SAM positions transferred from Finance and Planning due to reorganization	5
Operations Staff	• One SAM position to support the Regional Rail Division • Two SAM positions transferred from DGM Staff due to reorganization	3
Planning, Project Coordination and Safety	• Two SAM positions transferred to EM&C due to reorganization	-2
Procurement, Supply Chain Management and Disadvantaged Business Enterprise	• One SAM position to coordinate DBE section workforce reports • One SAM position transferred to DGM Staff due to reorganization	-

Headcount Authorization Cause of Change
11. Fiscal Year 2016 to Fiscal Year 2017

Division / Department	Cause of Change	
Rail Transportation Regional Rail	• Seven SAM positions transferred from Finance and Planning due to reorganization • One SAM position transferred from DGM Staff due to reorganization • One SAM position transferred to Operations Staff due to reorganization • One SAM position transferred from Vehicle Engineering	8
Rail Transportation Subway-Elevated	• Six positions to support the SEPTA Key Program • One hourly position transferred to VEM	5
System Safety	• One SAM position for FTA Reporting and data collection • One SAM position to coordinate all SEPTA safety programs	2
Vehicle Engineering	• Two SAM positions to develop and track bus vehicle maintenance analytics • One SAM position to support rail engineering • One SAM position to Rail Transportation Regional Rail	2
Vehicle Equipment Maintenance	• Four hourly maintenance positions needed for Bus Turn Alerting System Project • One hourly position transferred from Rail Transportation-Subway Elevated	5
	Total Increase	**49**

12. Departmental Summaries



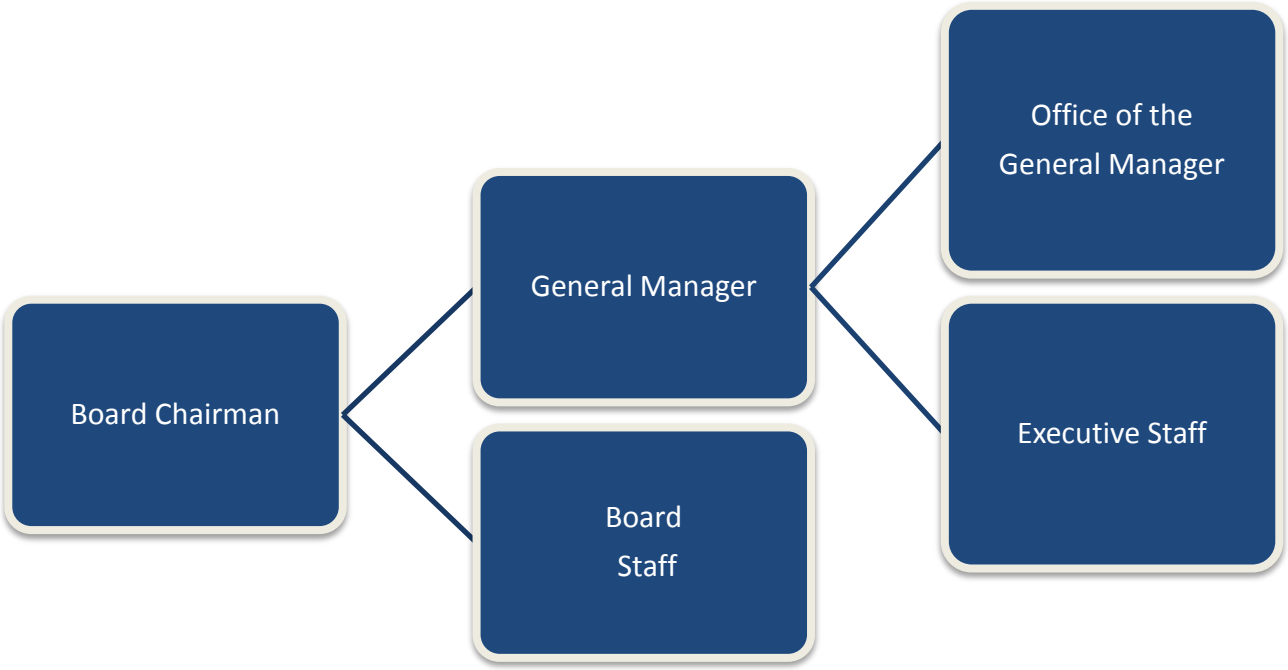
SEPTA

Corporate Staff

(a) Corporate Staff

Overview

SEPTA's Executive Staff consists of a team of experienced transit professionals who are dedicated to providing vision and guidance to the Authority, while making the best use of limited resources. The Executive Staff strives to be a partner with our stakeholders to promote public transit service as a cost-effective, viable travel option for access to work, school, medical service, shopping, leisure activities and tourism. The Executive Staff is also committed to operating and managing a system which meets the highest standards for customer and employee safety, while providing quality services.



(a) Corporate Staff

Fiscal Year 2017 Headcount

Operating Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Board Staff	4	-	-	-	-	4
Executive Staff	7	-	-	-	-	7
Office of the General Manager	3	-	-	-	-	3
Total Operating Heads	**14**	**-**	**-**	**-**	**-**	**14**

Capital Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Board Staff	-	-	-	-	-	-
Executive Staff	-	-	-	-	-	-
Office of the General Manager	1	-	-	-	-	1
Total Capital Heads	**1**	**-**	**-**	**-**	**-**	**1**

Total Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Board Staff	4	-	-	-	-	4
Executive Staff	7	-	-	-	-	7
Office of the General Manager	4	-	-	-	-	4
Total Heads	**15**	**-**	**-**	**-**	**-**	**15**

(a) Corporate Staff

Fiscal Year 2017 Budget

Amounts in Thousands (,000)

	Net Labor	Material & Services	Total
Board Staff	$ 466	$ 65	$ 531
Executive Staff	1,326	15	1,341
Office of the General Manager	444	121	565
TOTAL	**$ 2,236**	**$ 201**	**$ 2,437**

Principal Responsibilities

General Manager
Oversees all SEPTA services and operations. Along with the SEPTA Board, provides leadership and direction for the Authority.

Executive Staff
Manage and direct the daily functions of the Authority. Executive Staff includes the division leaders reporting directly to the General Manager of SEPTA. They, along with the General Manager, are responsible for the operation, administration and financial management of the Authority.

Board Staff
Prepare and attests to all Board documentation generated from committee and Board meetings as well as advising and consulting with the Board on all Board-related matters. The Board staff includes a Board Secretary, an Assistant Board Secretary, a Board Controller and a Board and Government Liaison.

(a) Corporate Staff

Fiscal Year 2017 Goals & Business Initiatives

SEPTA's Strategic Business Plan for Fiscal Years 2015 through 2019 established the framework for corporate goal-setting. The strategic plan is available at www.septa.org/strategic-plan. SEPTA's "Building the Future" program features a series of initiatives towards these corporate goals, grouped into five focus areas:

- **The Customer Experience:** Meeting or exceeding rising customer expectations
- **Employee Development:** Attracting and retaining a diverse, highly-skilled and versatile workforce
- **Rebuilding the System:** Reducing the backlog of capital needs
- **SEPTA is a Business:** Responsibly managing resources to grow the system
- **Safety as the Foundation:** Establishing a safety-first corporate culture

"BUILDING THE FUTURE" FOCUS AREA	GOAL	BUSINESS INITIATIVES
THE CUSTOMER EXPERIENCE	Meet or exceed rising customer expectations	a) Complete rollout of SEPTA Key on transit; prepare for rollout on Regional Rail b) Develop action plan to address key findings of Customer Satisfaction Survey c) Improve customer communications during service interruptions and major delay events d) Maintain on-time performance to goal by mode and implement a systematic process for scheduling adjustments to ensure continual improvement e) Continue to prioritize cleanliness on vehicles and at stations f) Modernize key customer amenities, especially real-time information on vehicle location g) Collaboratively prepare for major events, including deployment of Ambassadors
EMPLOYEE DEVELOPMENT	Attract and retain a diverse, highly-skilled and versatile workforce	a) Adopt and implement a five-year master plan for human resources and employee development b) Advance recruitment, hiring, and succession planning initiatives to keep up with retirements c) Rapidly assimilate and support new managers, especially front-line supervisors d) Launch an employee engagement innovation team and begin to implement internal communication improvements e) Continue to design and construct Facility Improvement Team (FIT) projects to upgrade employee facilities f) Continue to support programs and initiatives that promote diversity in the workplace g) Continue to promote employee wellness and a culture of volunteerism

(a) Corporate Staff

"BUILDING THE FUTURE" FOCUS AREA	GOAL	BUSINESS INITIATIVES
REBUILDING THE SYSTEM	Reduce the backlog of capital needs	a) Advance vehicle procurements and deliveries, including: electric locomotives, multi-level railcars, hybrid-electric buses, trolleys, and paratransit vehicles b) Continue to advance infrastructure state of good repair projects to renovate stations, substations, bridges, track, power, communications and signals infrastructure as part of "Building the Future" program c) Continue to invest in ADA accessibility d) Continue to implement $115 million federally funded Infrastructure Resiliency Program e) Advance construction according to Center City Concourse master plan f) Coordinate construction outages to minimize customer impacts g) Invest in core information technology functions h) Effectively communicate the economic impact of SEPTA's increasing investments in the region, including jobs
SEPTA IS A BUSINESS	Responsibly manage resources to grow the system	a) Continue to balance the operating budget through efficiencies b) Launch Ridership Growth Innovation Team to explore new market opportunities c) Continue to grow non fare-based revenue in accordance with state directives d) Advance public-private partnerships based on business opportunities as they emerge e) Intensify Sustainability Program activities based on a "budget neutral" strategy to improve environmental, social, and economic performance f) Advance parking expansion projects to increase system capacity and pursue transit-oriented development projects as a way to grow ridership g) Implement Cycle-Transit Plan to improve connectivity between bicycle and transit networks

(a) Corporate Staff

"BUILDING THE FUTURE" FOCUS AREA	GOAL	BUSINESS INITIATIVES
SAFETY AS THE FOUNDATION	Establish a safety-first corporate culture	a) Launch Safety Culture Innovation Team to systematically plan for and implement safety initiatives b) Launch Security Innovation Teams to systematically plan for and implement location and cyber security initiatives c) Install inward-facing cameras on regional rail cabs in accordance with federal law d) Advance radio interoperability initiatives for first responders in underground rail tunnels e) Implement close call reporting system for regional rail crews f) Implement bus turn warning system and refresher training for operators g) Continually advance safety communications – "Never Too Busy For Safety" platform for employees and "Make the Safe Choice" for customers



SEPTA

Planning, Project Coordination & Safety

(b) Planning, Project Coordination & Safety

Overview

Planning, Project Coordination & Safety is an independent group that serves as an interface between Operations, Engineering Maintenance & Construction and Safety, for projects and key initiatives. They are also responsible for capturing and reporting statistics, then making recommendations for corrective action based on their findings.

Fiscal Year 2017 Headcount

	SAM	IBT	Maint.	Transp.	Cashiers	Total
Operating Heads	1	-	-	-	-	1
Captial Heads	3	-	-	-	-	3
Total Heads	**4**	**-**	**-**	**-**	**-**	**4**

Fiscal Year 2017 Budget

Amounts in Thousands (,000)

	Net Labor	Material & Services	Total
Planning, Project Coordination & Safety	$ 108	$ 14	$ 122
TOTAL	**$ 108**	**$ 14**	**$ 122**

Principal Responsibilities

PLANNING, PROJECT COORDINATION & SAFETY

Planning
Responsible for long-range planning for critical infrastructure maintenance and improvement projects on the Regional Rail Division, Suburban Transit Division, and Light Rail Lines in the City Transit Division. This group develops and maintains the 5-Year EM&C Infrastructure Renewal Plans for the Regional Rail Division and Light Rail Lines on the Suburban Transit and City Transit Divisions.

Responsible for developing the capital needs assessment for compliance with the FTA's MAP-21 State-of-Good Repair (SOGR) requirements, along with coordinating FTA Quarterly Meetings.

Project Coordination
Responsible for interface between the EM&C and Operations Divisions for scheduling and coordination of all project-driven outages and support. Based on the EM&C 5-Year Infrastructure Plan for the Regional Rail Division, this group twice-yearly develops and distributes the Priority Track Outage Memo for key projects that require major operational or service adjustments, such as bus substitution, timetable schedule adjustments, or train crew run changes. Also oversees the daily coordination efforts for track outages to balance safety and production, while minimizing service impact to our customers.

Safety
Responsible for developing and implementing the EM&C/TWU/UTU Safety Initiative Program to reduce injuries and improve overall safety for EM&C employees. This group is also the interface between EM&C and System Safety for addressing System Safety-initiated Corrective Action Plans, participating in the Joint Health & Safety Committees for Railroad and Transit Divisions, and attending routine joint-safety inspections.



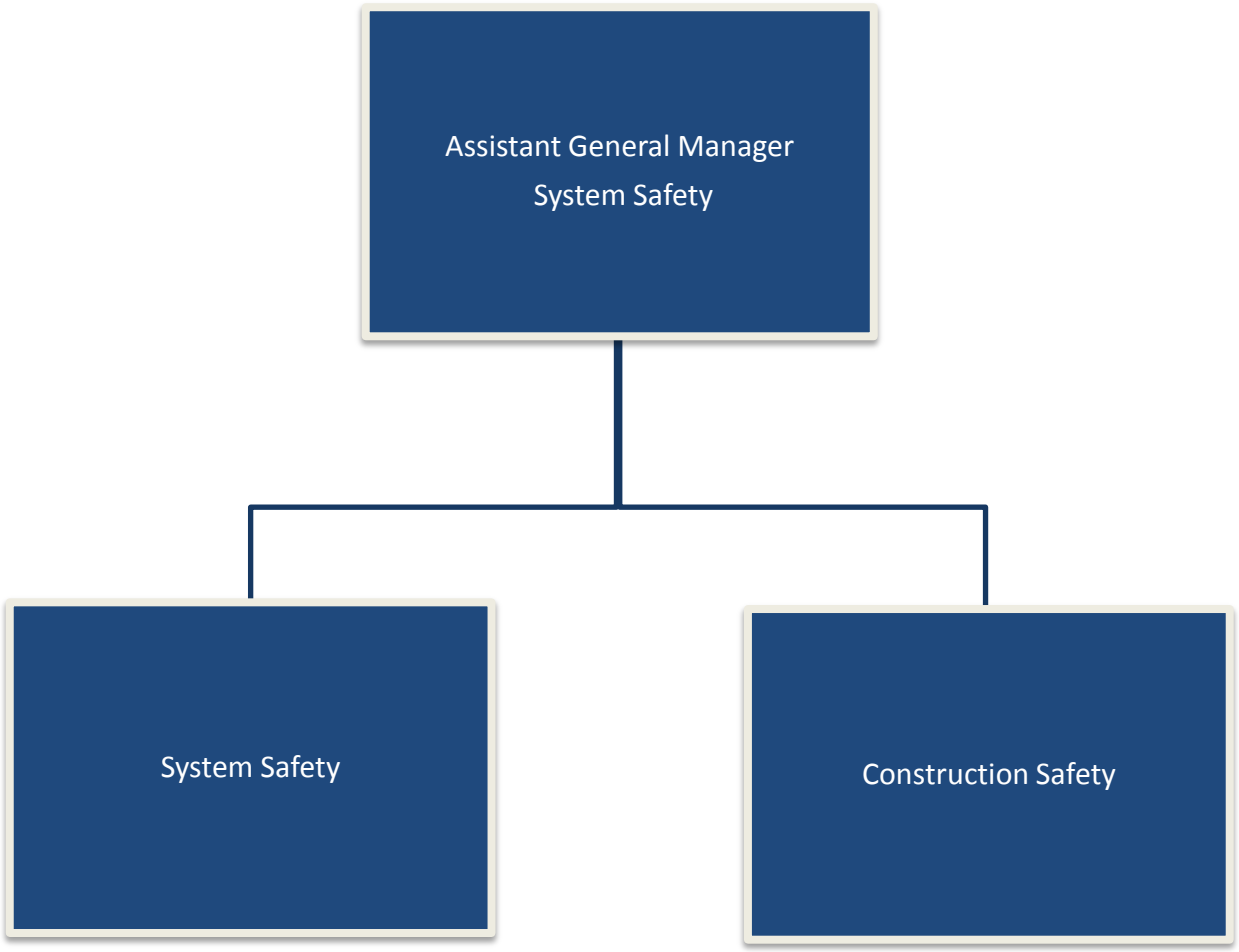
SEPTA

System Safety

(c) System Safety

Overview

SEPTA's System Safety Division consists of a team of experienced safety professionals who are dedicated to ensuring and enhancing the safety of SEPTA's employees and customers.



(c) System Safety

Fiscal Year 2017 Headcount

Operating Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
System Safety	24	-	-	-	-	24
Construction Safety	-	-	-	-	-	-
Total Operating Heads	**24**	**-**	**-**	**-**	**-**	**24**

Capital Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
System Safety	-	-	-	-	-	-
Construction Safety	3	-	-	-	-	3
Total Capital Heads	**3**	**-**	**-**	**-**	**-**	**3**

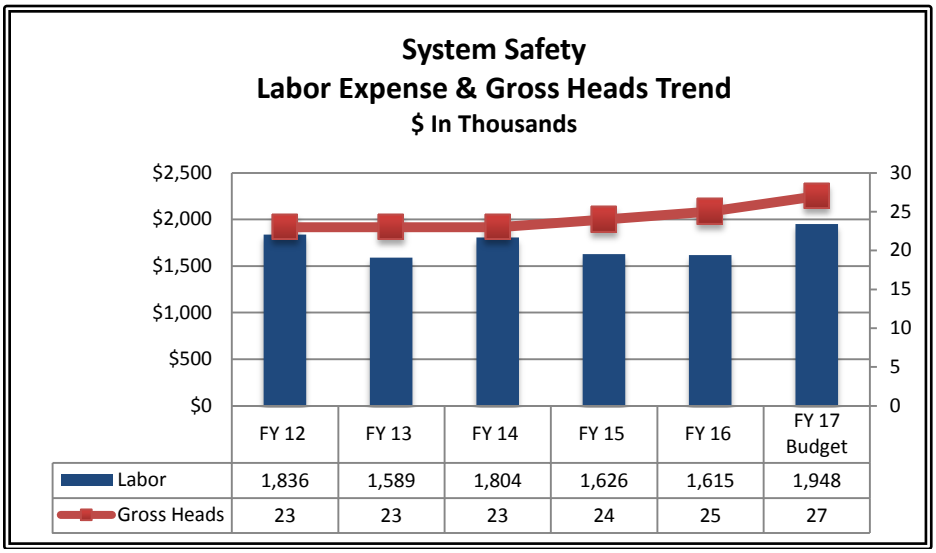
Total Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
System Safety	24	-	-	-	-	24
Construction Safety	3	-	-	-	-	3
Total Heads	**27**	**-**	**-**	**-**	**-**	**27**

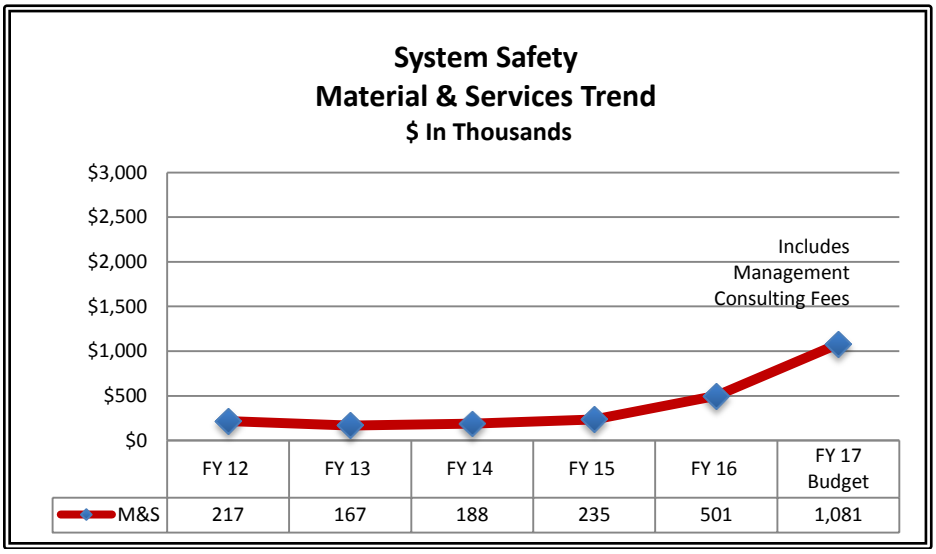
(c) System Safety

Fiscal Year 2017 Budget

Amounts in Thousands (,000)

	Net Labor	Material & Services	Total
System Safety	$ 1,948	$ 1,081	$ 3,029
TOTAL	**$ 1,948**	**$ 1,081**	**$ 3,029**





(c) System Safety

Principal Responsibilities

SYSTEM SAFETY
System Safety performs a wide range of tasks that are designed to ensure and enhance the safety of our employees, customers and the community. These tasks include the following:

- Develop, implement, maintain and update the multi-modal System Safety Program Plan (SSPP).
- Coordinate all functions related to safety throughout the Authority, including the potential for environmental and workplace health exposures.
- Routinely perform an enhanced level of safety inspections and audits, in addition to major accident investigations, occupational injury investigations and safety/risk management assessments.
- Conduct fire drills and evacuation exercises at all Authority locations.
- Direct the activities of the Joint Health and Safety Committee (JHSC) and oversees the Location Safety Committee (LSC) process.
- Assist in the coordination of multi-departmental initiatives to promote and internalize safety as the Authority's top priority.
- Provide consultation and support in the areas of environmental compliance and management of SEPTA's environmental activities.
- Oversee Environmental Site Characterization Assessments, Phase I & II Property Acquisition Assessments and Remediation Projects.
- Oversee the Authority's Environmental and Sustainability Management System (ESMS).
- Manage the Property Conservation Program and the risk treatment process. Work to reduce risk exposure and implement effective risk control techniques at all Authority locations.
- Coordinate the collection and reporting of all safety statistics throughout the Authority and administer the reporting of those statistics to regulatory agencies.

(c) System Safety

Fiscal Year 2017 Goals & Business Initiatives

Current Goals	Initiatives
I. Improve Employee Safety and Promote a Safe Work Environment	a) Continue to lead employee-focused safety initiatives (~~–~~Never Too Busy For Safety") b) Implement FRA-compliant Confidential Close Call Reporting System (C^3RS) c) Enhance employee safety training programs through the utilization of a third-party training contract d) Implement technology-based solutions to employee hazards
II. Increase Customer Safety Awareness	a) Continue to lead customer-focused safety campaigns (~~–~~Make The Safe Choice") b) Explore technology based solutions to reduce vehicle accidents c) Increase the Operation Lifesaver presentations in schools and community groups
III. Ensure Responsible Environmental Management Through a Comprehensive ESMS Program	a) Maintain ISO 14001 certification at Berridge Shop b) Advance the ISO 14001 certification process at Wayne Electric Shop c) Enhance Hazard Communication program through utilization of a technology-based solution for managing Safety Data Sheets (SDS)
IV. Develop a Safety-First Culture	a) Continue transition to Safety Management System (SMS)-compliant safety programs as required by FTA b) Adopt a data-driven approach to safety decision making c) Implement Safety Culture Innovation Team to explore opportunities for enhancing the Authority's overall safety culture

(c) System Safety

Fiscal Year 2016 Major Accomplishments

- Developed and implemented first Supervisors' Safety Development Program training course for all Authority managers
- Lead two Employee Safety Awareness Days
- Supported 2015 World Meeting of Families Congress and Papal Visit with targeted safety oversight and support
- Attained ISO 14001 re-certification at Berridge Shop





SEPTA

Operations

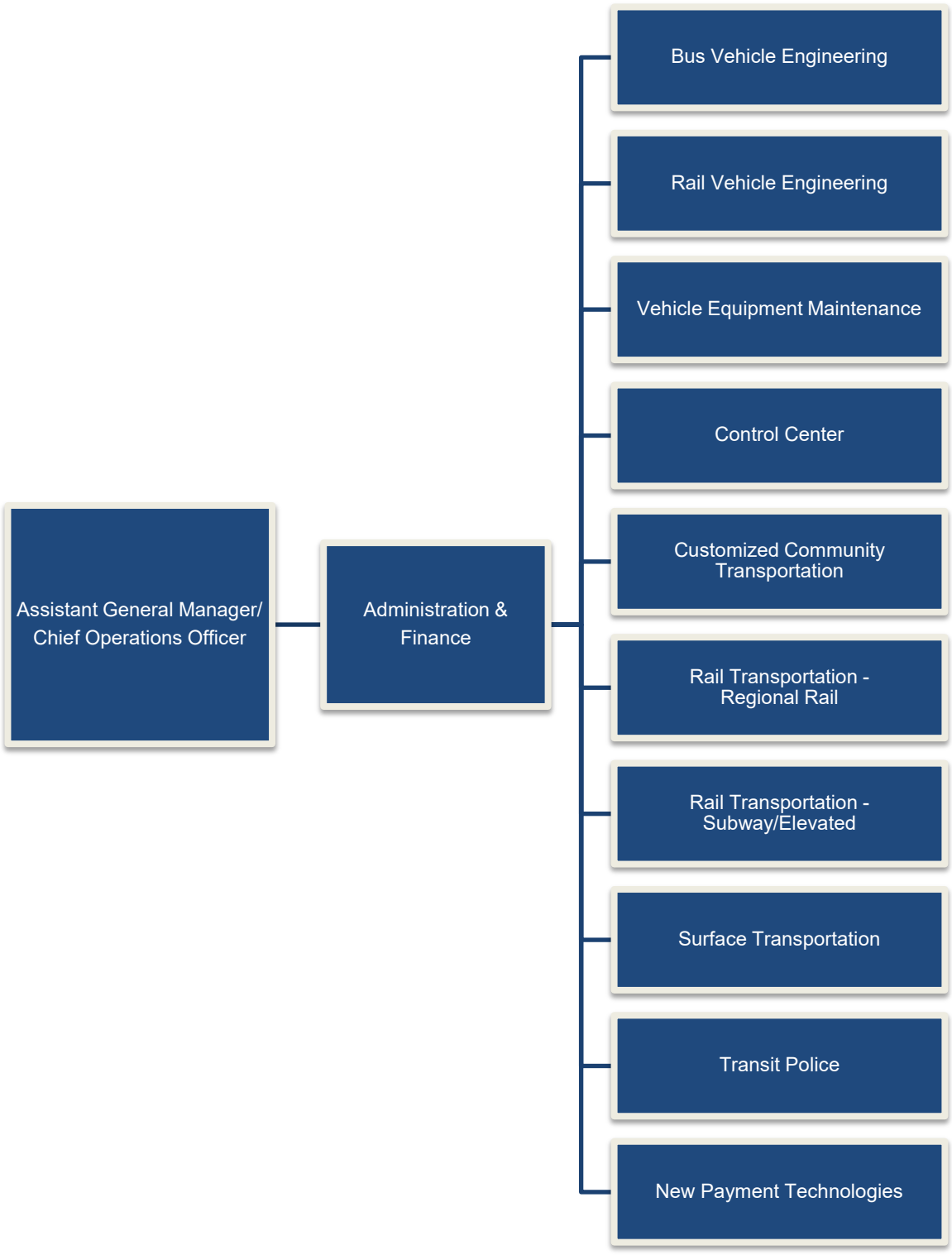
(d) Operations

Overview

The Operations Division provided 326.1 million annual passenger trips in Fiscal Year 2016, while operating 101.0 million vehicle miles. Total passenger miles exceeded 1.5 billion. The Division operates and maintains 2,840 revenue vehicles on 144 fixed routes, which have approximately 1,860 route miles, operates and maintains an inventory of 1,009 assorted non-revenue support vehicles and equipment, and provides service to 279 stations using over 450 miles of track and related facilities. In addition, Operations ensures law enforcement within the transportation system.

The Operations Division includes: Control Center, Customized Community Transportation, Operations Staff, Regional Rail, Subway/Elevated, Surface Transportation, Transit Police, Vehicle Engineering, Vehicle Maintenance, New Payment Technologies (NPT), and Administration & Finance. The Division provides the leadership for the daily operating decisions and long term goals related to these areas of responsibility.

(d) Operations



Fiscal Year 2017 Headcount

Operating Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Administration & Finance	3	-	-	-	-	3
Bus Vehicle Engineering	16	-	-	-	-	16
Rail Vehicle Engineering	17	2	-	-	-	19
Bus Vehicle Maintenance	81	12	774	-	-	867
Rail Vehicle Maintenance	98	19	752	-	-	869
Control Center	88	12	-	4	-	104
Customized Community Transportation	90	-	-	24	-	114
New Payment Technologies	1	-	-	-	-	1
Operations Staff	11	-	-	-	-	11
Rail Transportation - Subway-Elevated	184	53	230	159	338	964
Rail Transportation - Regional Rail	68	51	5	576	-	700
Surface Transportation	190	25	-	2,744	-	2,959
Transit Police	61	-	212	-	-	273
Total Operating Heads	**908**	**174**	**1,973**	**3,507**	**338**	**6,900**

Capital Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Administration & Finance	-	-	-	-	-	-
Bus Vehicle Engineering	13	-	-	-	-	13
Rail Vehicle Engineering	22	2	-	-	-	24
Bus Vehicle Maintenance	9	1	82	-	-	92
Rail Vehicle Maintenance	16	1	140	-	-	157
Control Center	3	-	-	-	-	3
Customized Community Transportation	-	-	-	-	-	-
New Payment Technologies	11	-	-	-	-	11
Operations Staff	1	-	-	-	-	1
Rail Transportation - Subway-Elevated	1	1				2
Rail Transportation - Regional Rail	1	-	-		-	1
Surface Transportation		-	-	18	-	18
Transit Police	-	-	-	-	-	-
Total Capital Heads	**77**	**5**	**222**	**18**	**-**	**322**

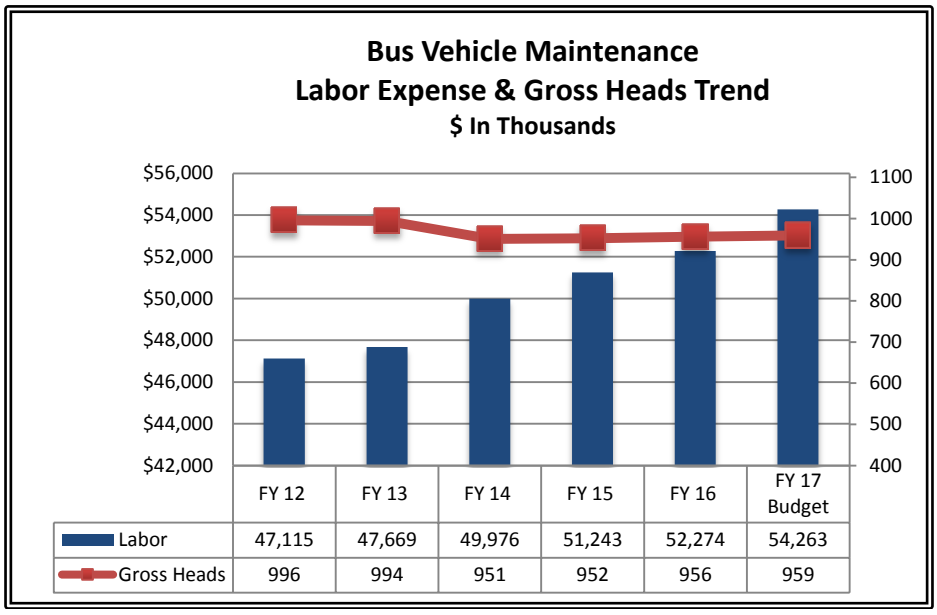
Total Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Administration & Finance	3	-	-	-	-	3
Bus Vehicle Engineering	29	-	-	-	-	29
Rail Vehicle Engineering	39	4	-	-	-	43
Bus Vehicle Maintenance	90	13	856	-	-	959
Rail Vehicle Maintenance	114	20	892	-	-	1,026
Control Center	91	12	-	4	-	107
Customized Community Transportation	90	-	-	24	-	114
New Payment Technologies	12	-	-	-	-	12
Operations Staff	12	-	-	-	-	12
Rail Transportation - Subway-Elevated	185	54	230	159	338	966
Rail Transportation - Regional Rail	69	51	5	576		701
Surface Transportation	190	25	-	2,762	-	2,977
Transit Police	61	-	212	-	-	273
Total Heads	**985**	**179**	**2,195**	**3,525**	**338**	**7,222**

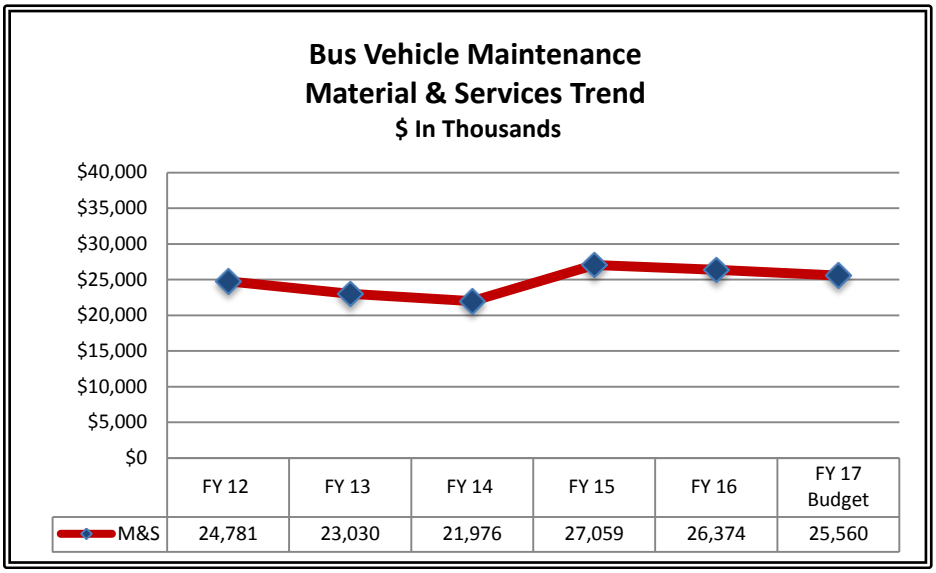
Fiscal Year 2017 Budget

Amounts in Thousands (,000)

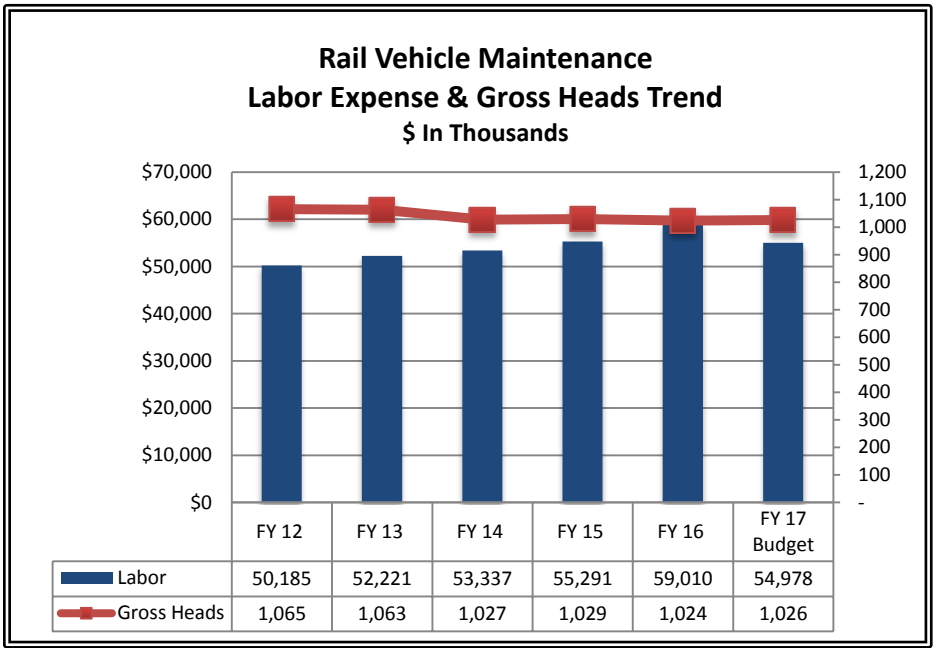
	Net Labor	Material & Services	Total
Administration & Finance	$ 256	$ 271	527
Bus Vehicle Engineering	1,326	2,858	4,184
Rail Vehicle Engineering	1,440	90	1,530
Bus Vehicle Maintenance	54,263	25,560	79,823
Rail Vehicle Maintenance	54,978	18,716	73,694
Control Center	8,243	275	8,518
Customized Community Transportation (CCT)	8,341	3,454	11,795
New Payment Technologies	113	1	114
Operations Staff	1,674	10	1,684
Rail Transportation- Subway-Elevated	63,496	3,251	66,747
Rail Transportation- Regional Rail	65,592	17,369	82,961
Surface Transportation	209,547	529	210,076
Transit Police	20,499	1,137	21,636
TOTAL	**$ 489,768**	**$ 73,521**	**$ 563,289**

Note: New Payment Integration transferred to Rail Transportation Subway-Elevated.

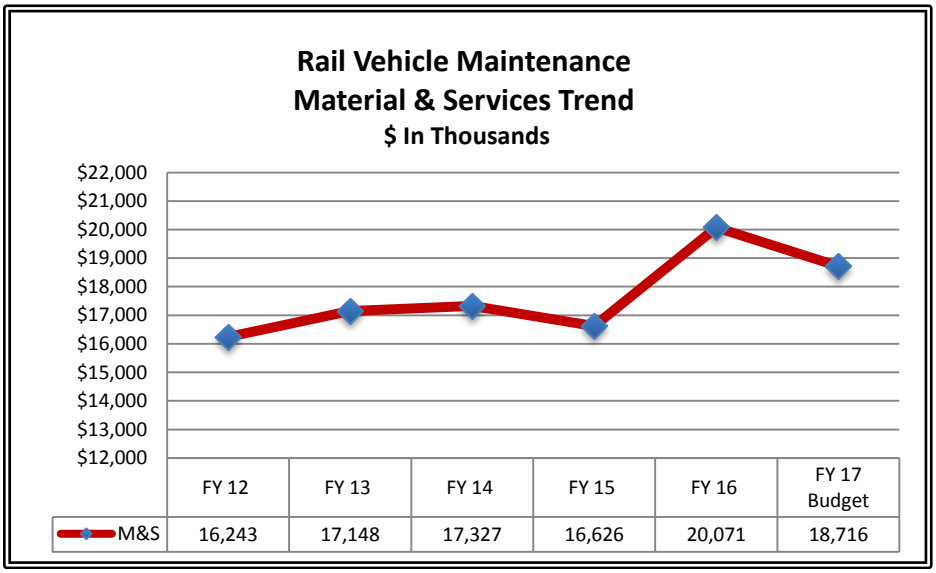




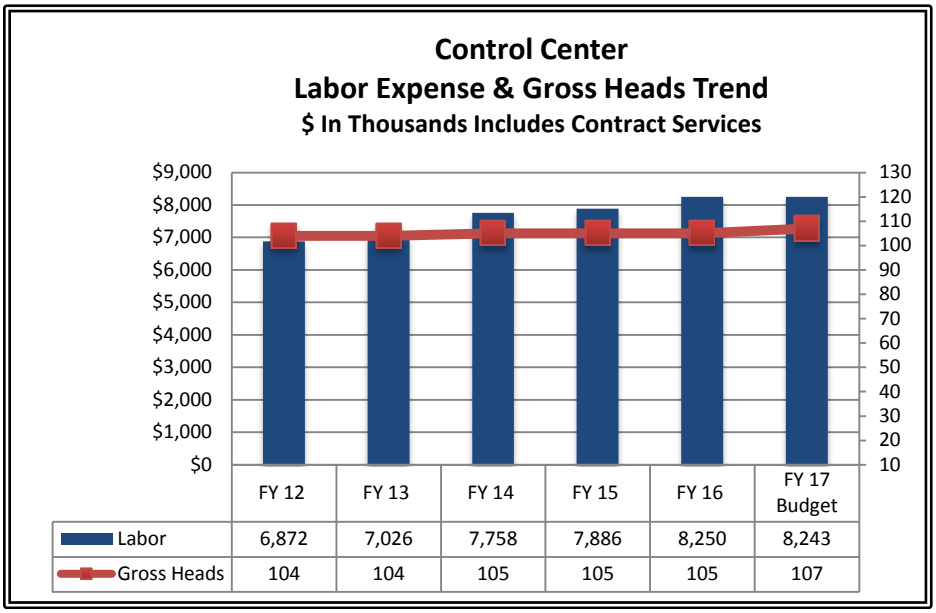
	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17 Budget
M&S	24,781	23,030	21,976	27,059	26,374	25,560



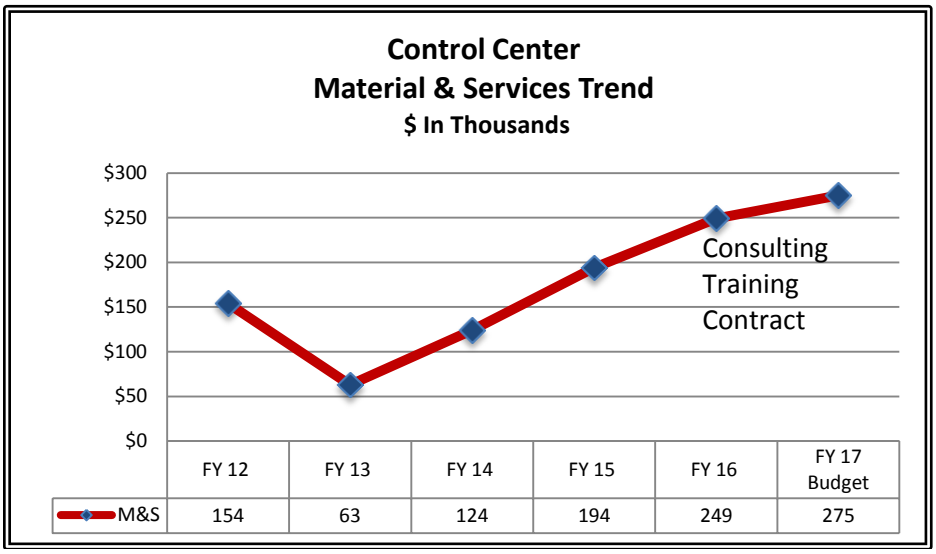
	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17 Budget
Labor	50,185	52,221	53,337	55,291	59,010	54,978
Gross Heads	1,065	1,063	1,027	1,029	1,024	1,026



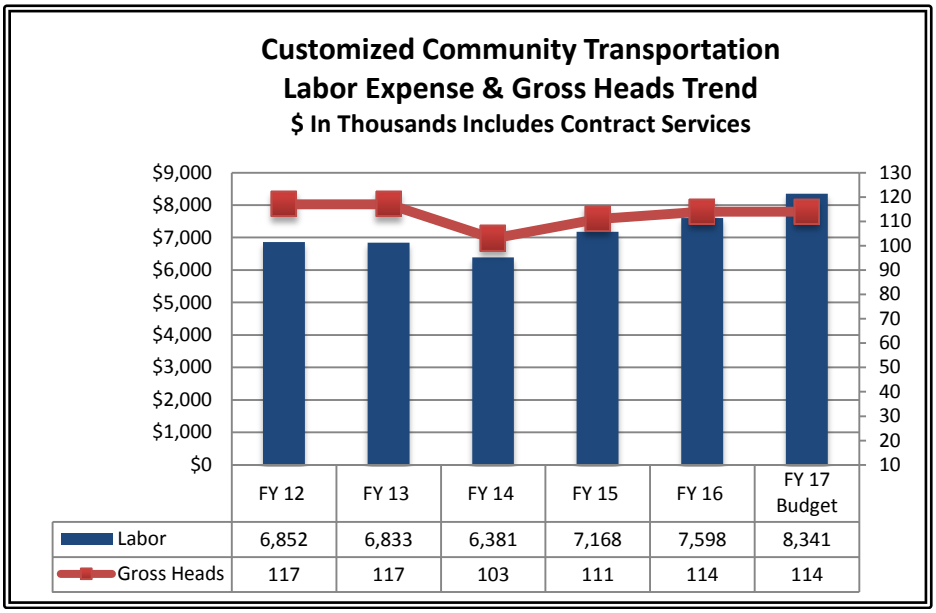
	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17 Budget
M&S	16,243	17,148	17,327	16,626	20,071	18,716



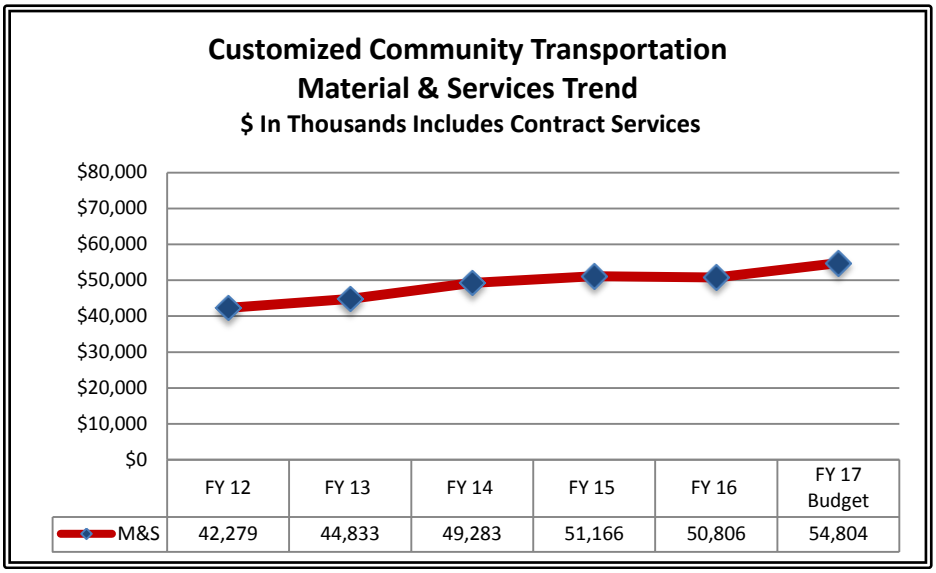
	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17 Budget
Labor	6,872	7,026	7,758	7,886	8,250	8,243
Gross Heads	104	104	105	105	105	107



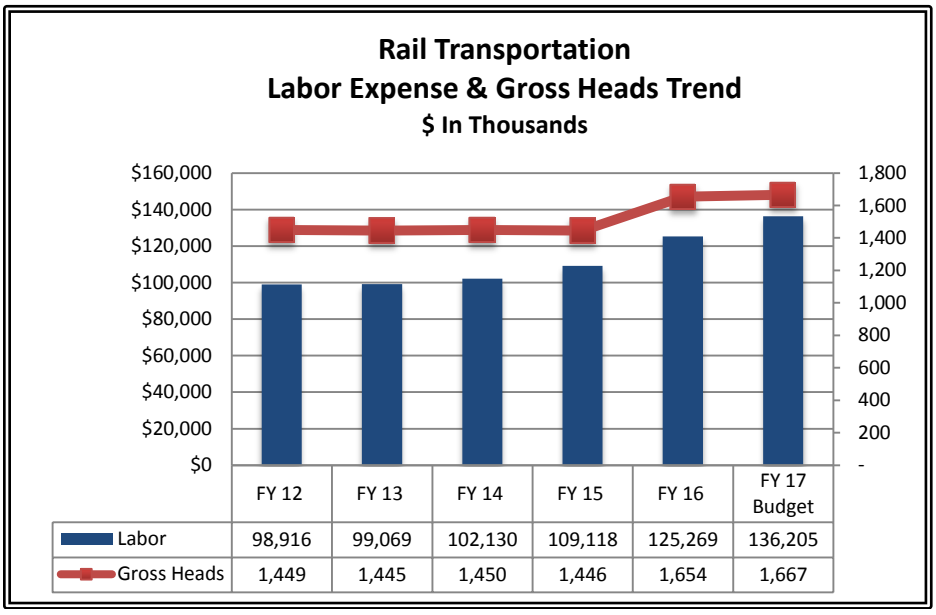
	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17 Budget
M&S	154	63	124	194	249	275



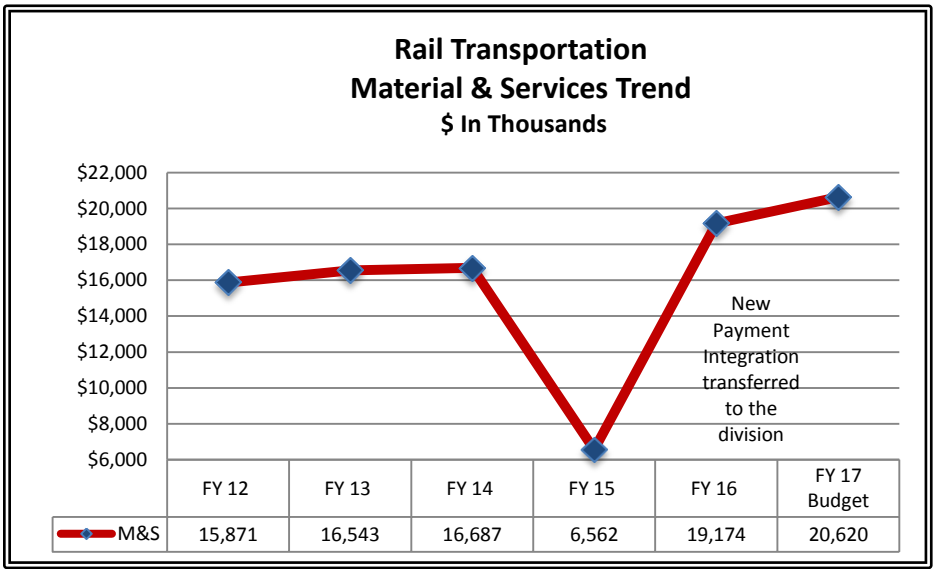
	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17 Budget
Labor	6,852	6,833	6,381	7,168	7,598	8,341
Gross Heads	117	117	103	111	114	114



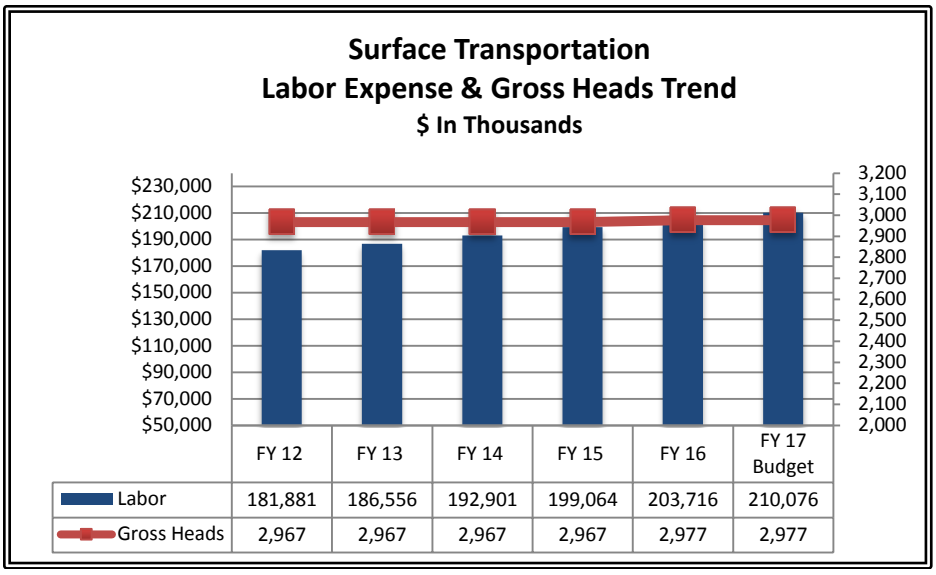
	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17 Budget
M&S	42,279	44,833	49,283	51,166	50,806	54,804

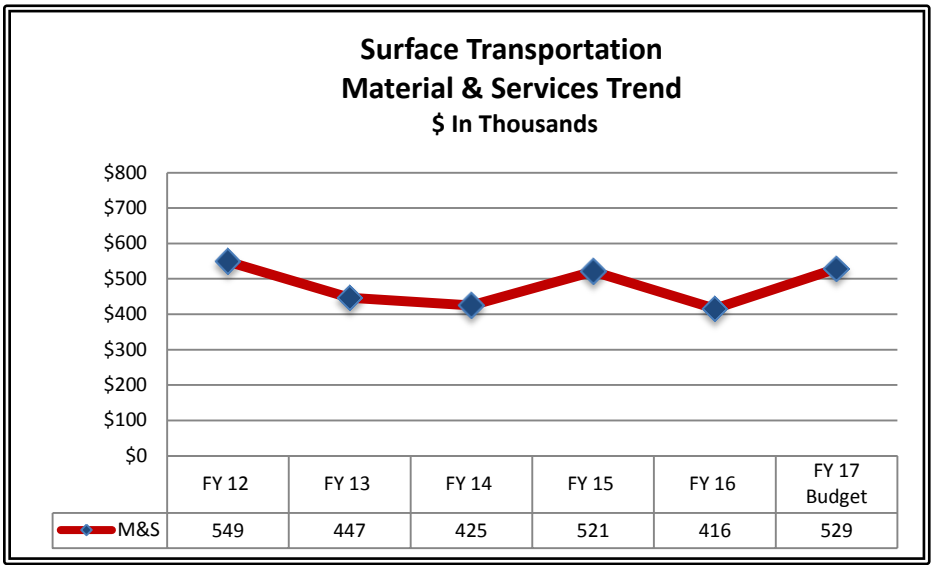


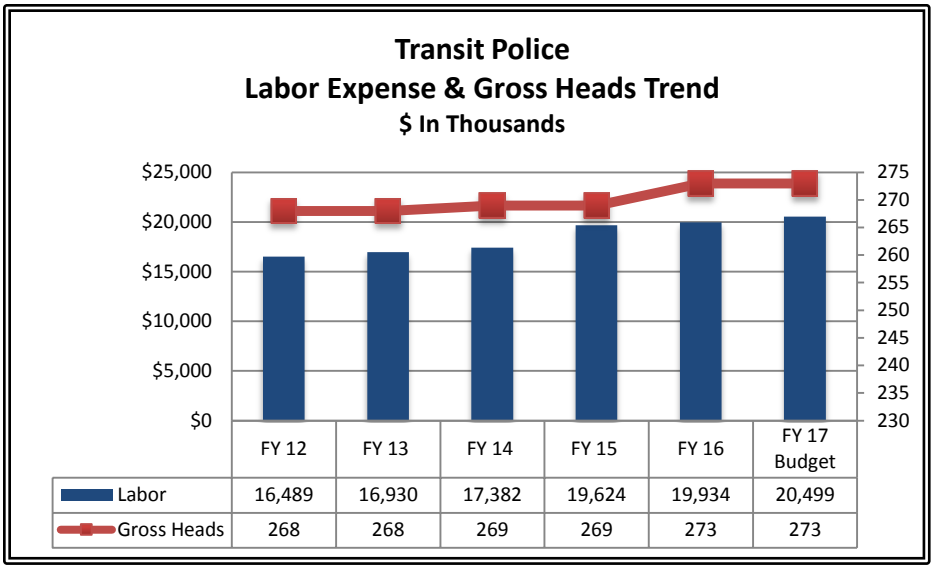
	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17 Budget
Labor	98,916	99,069	102,130	109,118	125,269	136,205
Gross Heads	1,449	1,445	1,450	1,446	1,654	1,667

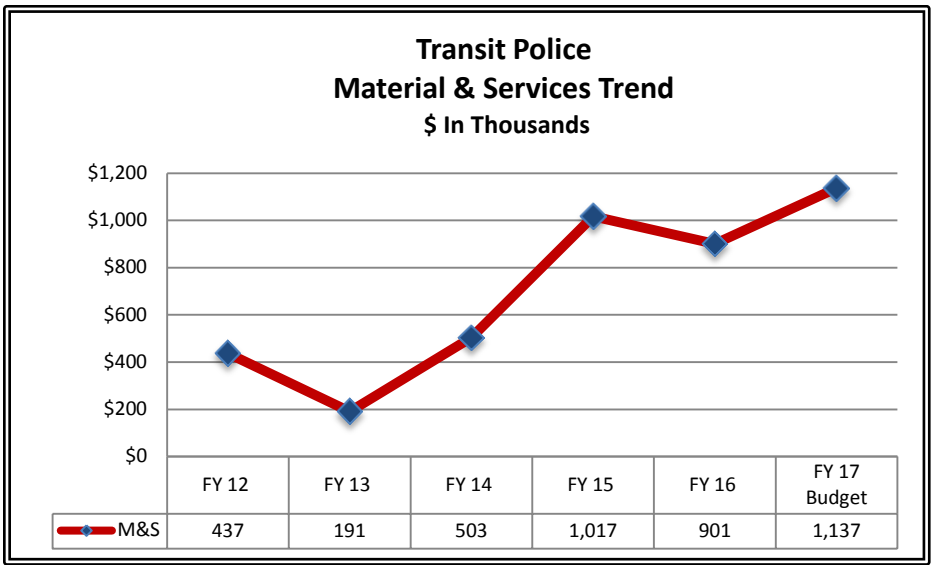


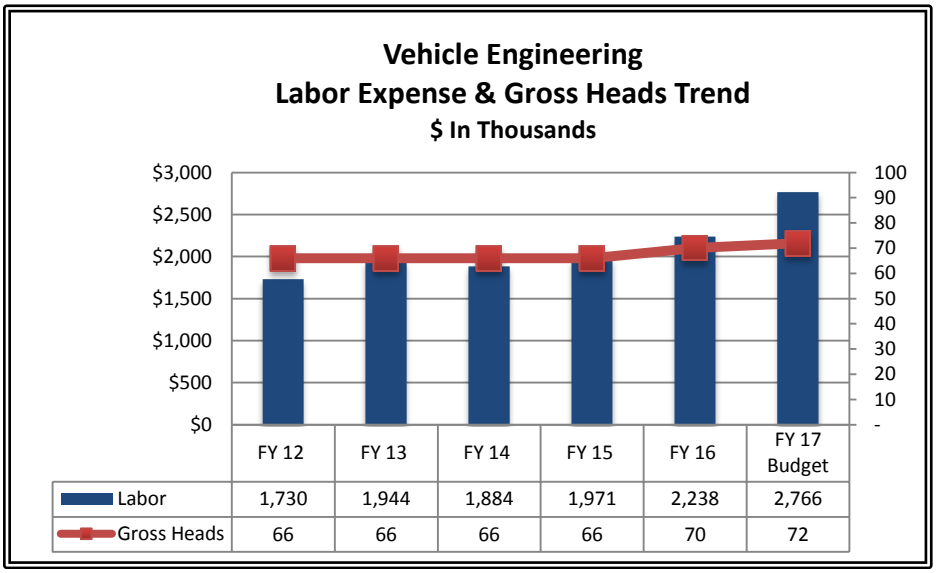
	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17 Budget
M&S	15,871	16,543	16,687	6,562	19,174	20,620

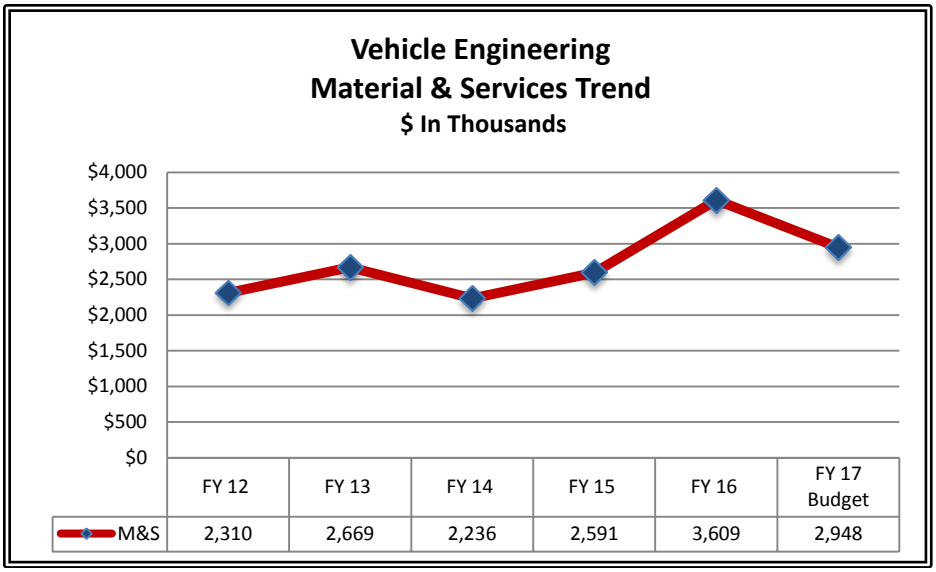

Surface Transportation
Labor Expense & Gross Heads Trend
$ In Thousands
$230,000
$210,000
$190,000
$170,000
$150,000
$130,000
$110,000
$90,000
$70,000
$50,000
3,200
3,100
3,000
2,900
2,800
2,700
2,600
2,500
2,400
2,300
2,200
2,100
2,000
FY 12 | FY 13 | FY 14 | FY 15 | FY 16 | FY 17 Budget
Labor | 181,881 | 186,556 | 192,901 | 199,064 | 203,716 | 210,076
Gross Heads | 2,967 | 2,967 | 2,967 | 2,967 | 2,977 | 2,977


Surface Transportation
Material & Services Trend
$ In Thousands
$800
$700
$600
$500
$400
$300
$200
$100
$0
FY 12 | FY 13 | FY 14 | FY 15 | FY 16 | FY 17 Budget
M&S | 549 | 447 | 425 | 521 | 416 | 529


Transit Police
Labor Expense & Gross Heads Trend
$ In Thousands
$25,000
$20,000
$15,000
$10,000
$5,000
$0
275
270
265
260
255
250
245
240
235
230
FY 12 | FY 13 | FY 14 | FY 15 | FY 16 | FY 17 Budget
Labor | 16,489 | 16,930 | 17,382 | 19,624 | 19,934 | 20,499
Gross Heads | 268 | 268 | 269 | 269 | 273 | 273


Transit Police
Material & Services Trend
$ In Thousands
$1,200
$1,000
$800
$600
$400
$200
$0
FY 12 FY 13 FY 14 FY 15 FY 16 FY 17 Budget
M&S 437 191 503 1,017 901 1,137


Vehicle Engineering
Labor Expense & Gross Heads Trend
$ In Thousands
$3,000
$2,500
$2,000
$1,500
$1,000
$500
$0
100
90
80
70
60
50
40
30
20
10
-
FY 12 FY 13 FY 14 FY 15 FY 16 FY 17 Budget
Labor 1,730 1,944 1,884 1,971 2,238 2,766
Gross Heads 66 66 66 66 70 72


Vehicle Engineering
Material & Services Trend
$ In Thousands
$4,000
$3,500
$3,000
$2,500
$2,000
$1,500
$1,000
$500
$0
FY 12 FY 13 FY 14 FY 15 FY 16 FY 17 Budget
M&S 2,310 2,669 2,236 2,591 3,609 2,948

Principal Responsibilities

ADMINISTRATION AND FINANCE
Coordinate and manage the administrative and financial activities for Operations Division.

Cost Control
Coordinate the development, submission and monitoring of Operating and Capital Budget Proposals for the Operations Division.

Performance Statistics Control
Develop and monitor performance statistic goals for Operations which support SEPTA's mission and strategic goals.

Human Resource Administration
Manage the process of hiring personnel for Operations Division in accordance with service requirements. Ensure compliance with SEPTA's Human Resource policies.

Customer Service
Process and expedite all customer correspondence routed through the Operations Division.

Record Retention
Coordinate compliance with record retention policies.

Special Projects
Coordinate all logistics and activities related to service interruptions, major sporting events and various other annual events including the International Flower Show, Philly Spring Clean-Up, and Philabundance Food Drive.

BUS VEHICLE ENGINEERING
Oversee the engineering for bus, trackless trolley, and non-revenue vehicle fleets. Responsible for the acquisition of new fleets of vehicles including bus, CCT and utility vehicles. Manage administrative, personnel and budgetary elements of Bus Vehicle Engineering, Rail Vehicle Engineering and Vehicle Maintenance groups.

Bus Vehicle Engineering
Provide all engineering support including specifications, drawings, vehicle modifications and system upgrades for all bus fleets. Investigate and resolve bus and fleet technical issues. Support is provided to heavy maintenance facilities and CCT vehicle maintenance.

New Vehicles
Oversee the purchase of all new bus, trackless trolley, CCT and utility vehicles for the Authority. Manage the procurement, production, inspection, acceptance and contract deliverables (e.g. spare parts, manuals and warranty administration) for various vehicle automotive contracts.

RAIL VEHICLE ENGINEERING

Oversee the engineering for light rail, subway-elevated, and railroad fleets and is responsible for all new rail vehicle acquisitions.

Rail Vehicle Engineering

Provide all engineering support including specifications, drawings, vehicle modifications and system upgrades for all rail fleets. Investigate and resolve rail and fleet technical issues. Support is provided to heavy maintenance facilities.

New Vehicles

Oversee the purchase of all new rail vehicles for the Authority. Manage the procurement, production, inspection, acceptance and contract deliverables (e.g. spare parts, manuals and warranty administration) for various rail vehicle contracts.

NEW PAYMENT TECHNOLOGIES

Direct the multi-phase New Payment Technologies Project to transform SEPTA's aging revenue equipment into a modern, efficient and convenient system for customer payment and agency collection of fare revenue.

CONTROL CENTER

The Control Center is a centralized facility that manages the safe and efficient movement of all of SEPTA's operating modes and provides customer service alerts to our passengers. All Control Center functions and associated equipment are located at SEPTA's 1234 Market Street headquarters on the 19th floor. The Control Center personnel are responsible for ensuring that SEPTA's established service levels are maintained 24 hours a day, 7 days a week. The Control Center functions include:

Subway/Elevated Control

Train Dispatchers control the Market-Frankford Subway Elevated (MFL) and the Broad Street - Ridge Avenue Subway (BSL).

On the MFL, the train dispatcher can view the status of the entire line on a model board. Train Dispatchers have remote control over all thirteen (13) interlockings via the computer system. These thirteen include Bridge, Erie-Torresdale, Allegheny, Huntingdon, Berks, Spring Garden, 5th Street, 15th Street, 30th Street, 40th Street, 52nd Street, 63rd Street and 69th Street.

On the BSL, Train Dispatchers have a model board and supervisory control over all the interlockings including: Fern Rock Yard, Olney, Erie, Fairmount, Walnut-Locust, Snyder, Patterson and 8th & Market.

Light Rail Trolley Control

The Light Rail Trolley Controller utilizes a combination of radio consoles and computerized control systems to manage the six Center City trolley lines and the Routes 101 and 102 Media/Sharon Hill lines. A Communications-Based Train Control (CBTC) system tracks trolley location and control to the Center City subway portion and GPS systems have been installed to track trolleys on the street.

Controllers of the Route 100 Norristown High Speed Line have total supervisory control and complete monitoring capability of the line. The SCADA system providing this control includes both computer terminals and an overview screen.

Bus Control
The Bus Control Center utilizes a Computer-Aided Radio Dispatch (CARD) system to communicate with the entire bus fleet, supervisory and maintenance vehicles. The communications infrastructure includes 6 radio towers and a trunked radio system that has 7 voice channels and 2 data channels. All vehicles have Automatic Vehicle Location (AVL) systems.

Railroad Control
The Railroad Control Center utilizes a Centralized Train Control System to provide real time information and control functions to the 19th floor. Six (6) train dispatchers have the responsibility to operate switches and display signals on SEPTA-controlled territory managing the movement of 780 scheduled trains a day.

Control Center Information
Control Center Information Managers and Passenger Service Specialists monitor real time service delays and provide instant updates to customers through a variety of communication media. From station announcements and updates to the web-site to posts on Twitter and PA Ready Notify, the Control Center Information staff helps to keep our customers informed of real time service disruptions.

Command Center
The Command Center serves as the central coordination room that allows SEPTA staff to manage all emergencies and major service disruptions.

The following Control Center Operations areas are also part of SEPTA's centralized Control Center facility but report to different Chiefs in the organization:

- Railroad Power Dispatching
- Subway/Light Rail Power Dispatching
- Police Radio Room
- Customized Community Transportation

CUSTOMIZED COMMUNITY TRANSPORTATION (CCT)

Customized Community Transportation (CCT) is responsible for the operation of SEPTA's two demand response services, ADA Paratransit and Shared Ride Program transportation. This full service operation, from advance reservations and customer service to shared trip completion, operates under the name "CCT Connect". It coordinates development of Requests for Proposals to contract for private operation of new services and provides for the efficient administration of existing contract carrier operations.

CCT coordinates SEPTA's compliance with the Americans with Disabilities Act (ADA) as it pertains to service, equipment and facilities, advising other operating departments on implementing accessible fixed-route service and facility improvements. It serves as liaison between other SEPTA Divisions and the SEPTA Advisory Committee for Accessible Transportation (SAC).

CCT also oversees the Authority's customized small bus operations and public-private partnerships via its Contract Operations Department.

CCT Connect

ADA Services

Provide advance-reservation, ride-sharing paratransit service for eligible disabled riders in Bucks, Chester, Delaware, Montgomery and Philadelphia counties.

Shared Ride Program (SRP)

Provide advance-reservation, ride-sharing transportation for Philadelphia County riders age 65 and older, regardless of income or disability status.

Contract Operations

Breeze

Operates SEPTA's small bus service known as the Horsham "Breeze". This service provides transportation designed to meet the needs of employers in SEPTA's suburban service area.

LUCY

Operates a fixed route bus loop in the University City area of West Philadelphia. The service is funded by subsidies from the University City District and operates weekdays between 7:00 a.m. and 7:00 p.m.

Cornwells Heights Shuttle

Operates a small bus shuttle within the 1,600-space park-and-ride lot at Cornwells Heights train station.

Contracted Services

Provides management oversight and compliance of contracts between SEPTA and third party providers of fixed route services (Routes 204 and 205).

REGIONAL RAIL

Oversee all transportation, customer service, station operation, service planning, ticket sales and on-board fare collection and parking for the railroad system. The regional rail system includes 280 route miles on 13 lines or branches. Approximately 780 trains service a total of 155 stations per average weekday.

Parking

Pursue opportunities to expand parking spaces and function as the central coordinator for all parking related issues. Responsible for managing third party contractors for maintenance on all lots and garages. Actively seek land acquisitions to develop and expand various parking lot capacities. Manage over 26,000 parking spaces and directly handle all coin and electronic cash collection from SEPTA owned meters, slot boxes and pre-paid permits.

SUBWAY-ELEVATED

Transportation

Subway-Elevated Transportation is organized into two sections: Market–Frankford Subway-Elevated (MFL) and Broad Street Subway (BSL).

The MFL operates 380 revenue trains each weekday between the Frankford Transportation Center and the 69th Street Terminal. The BSL operates 598 revenue trains each weekday between the Fern Rock Transportation Center and AT&T Station as well as along the Ridge Avenue Spur.

Station Cleaning

The Subway-Elevated stations group oversees the cleaning of 28 Market-Frankford Subway-Elevated stations, 25 Broad Street Subway and 8 trolley stations.

NEW PAYMENT TECHNOLOGY INTEGRATION

Revenue Transportation

Manage the collection and transportation and deposit of the Authority's passenger revenues and fare instruments.

Revenue Services

Ensure timely processing, counting and reconciliation of the Authority's passenger revenue, as well as the distribution of fare instruments.

Revenue Equipment Maintenance and Engineering

Perform preventive maintenance and overhaul of the Authority's fare collection equipment and devices. Provide engineering and design support for the revenue system including specifications, drawings, equipment modifications and system upgrades.

Revenue Compliance

Ensure the collection, handling and processing of revenue is performed efficiently and safely.

Revenue, Audit and Control

Ensure that effective controls are in place to safeguard the Authority's revenue and assets.

Fare Collection
The fare collection stations group is also organized into BSL and MFL sections. The MFL section oversees fare sales and collections and provides service information at 28 stations. The BSL section provides these services at 25 stations.

SURFACE TRANSPORTATION
Operate surface transit modes throughout the five county service area with service originating from nine operating locations in the region. Each operating district has full responsibility for transportation service of the transit fleet in that location.

The nine operating districts operate a total of 117 bus, 3 trackless trolley routes, 8 trolley (light rail) routes and one interurban high speed (heavy rail) line. It should be noted that the number of bus routes identified by operating district in this section differs from the total number reported elsewhere due to 14 bus routes that are operated out of more than one district as operating conditions necessitate. These are the nine operating districts in Surface Transportation:

1. **Allegheny** - operates 8 bus routes.
2. **Callowhill** - operates 12 bus routes, in addition to trolley (light rail) Routes 10 and 15.
3. **Comly** - operates 14 bus routes.
4. **Elmwood -** operates trolley (light rail) Routes 11, 13, 34, and 36.
5. **Frankford** - operates 13 bus routes and 3 trackless trolley routes.
6. **Midvale** - operates 24 bus routes.
7. **Southern** - operates 18 bus routes.
8. **Frontier** - operates 22 bus routes.
9. **Victory** - operates 20 bus routes, 1 trolley (light rail) Routes 101 and 102 and 1 heavy rail Route 100.

TRANSIT POLICE
Ensure a safe work and travel environment and enhance the quality of life through law enforcement and protection against crime.

Patrol Division
Responsible for patrol (primarily in uniform) of the Broad Street Subway Line, Market Frankford Line, Trolley Lines, Regional Rail and all SEPTA properties.

Quality Assurance Division
Investigate complaints of transit police misconduct and ensure that the service being provided is at the expected level. Maintain professional and interoperable communications. Manage Record Management System.

Special Operations Division
Responsible for counterterrorism prevention and training, hot spot policing initiative using Team One, personnel conducting criminal investigations and undercover operations. Responsible for new recruitment training and background investigations for officer candidates.

VEHICLE EQUIPMENT MAINTENANCE

BUS VEHICLE MAINTENANCE

Oversee all maintenance aspects for bus, trackless trolley, and non-revenue fleets and responsible for bus and utility vehicle preventive maintenance.

Consists of the following nine locations:

- Six (6) maintenance locations in the Philadelphia area
- Victory in Delaware County
- Frontier in Montgomery County
- Contract Operations located in the Germantown section of Philadelphia

These nine locations are responsible for all aspects of daily maintenance, cleaning, inspection and servicing for a fleet of over 1,400 vehicles.

Automotive Backshops

Perform overhaul and heavy maintenance activities on bus, trackless trolley and non-revenue utility vehicle fleets.

RAIL VEHICLE MAINTENANCE

Oversee all maintenance aspects for light rail, subway-elevated, and railroad fleets and responsible for rail vehicle preventive maintenance overhauls.

Rail Equipment Maintenance

Perform programmed vehicle and component overhauls of various rail fleets as well as the inspection, maintenance and running repairs of the following rail fleets:

- MFL M-IV fleet at the 69th Street and Bridge Street Car Houses
- Media-Sharon Hill Line LRV fleet at the MSHL Shop at 69th Street
- Norristown High Speed Line N5 fleet at the NHSL Shop at Victory Avenue
- BSL B-IV fleet at the Fern Rock Car House
- Subway/Surface LRV fleet at the Callowhill and Elmwood Shops
- Route 15 PCC-II fleet at the Callowhill Shop
- The following backshops perform vehicle component overhauls:
 - 69th Street Shop
 - 69th Street Motor Shop
 - Fern Rock Shop
 - Woodland Shop

Railroad Shops and Yards

Provide all maintenance and overhaul activities on the railroad car fleet. The fleet is comprised of SL-IV and SL-V EMU (electric multiple unit) cars and coaches (push-pull) propelled by AEM-7 electric locomotives. Shop locations include:

- Overbrook
- Roberts Yard
- Wayne Electric Car Yard
- Powelton Yard
- Frazer

Fiscal Year 2017 Goals & Business Initiatives

Current Goals	Initiatives
I. Improve Customer and Employee Safety and System Security	a) Implement plan for improving customer communications and response during service interruptions and major special events b) Implement process of continual scheduling adjustments for Regional Rail c) Prepare facilities and provide Ambassador support for major special events such as the Flower Show, Broad Street Run, Spring Clean Up, Philabundance and DNC d) Produce informational video for SEPTA workforce addressing terrorism identification and response e) Conduct regular safety meetings and continue to support Joint Health and Safety Committee (JHSC) Process f) Analyze movement of vehicles in all districts, shops and garages, particularly in the bays, and make recommendations to improve vehicle speed compliance g) Focus on the reduction of signal violations and work zone incursions/violations h) Continue pedestrian awareness campaign i) Enhance vehicle Quality Assurance and Quality Control Program with focus on safety critical items j) Reduce lost time injuries and accident rates by analyzing accident and injury data to identify high risk areas
II. Improve Service Quality and Customer Satisfaction	a) Promote upgrades and customization to the Mobile Application such as more frequent bus location polling b) Design and implement a plan to more effectively communicate route detours c) Expand the audit of passenger communications equipment functionality to ensure every station is tested each month d) Improve compliance and enforcement of Regional Rail Quiet Ride program

Current Goals	Initiatives
	e) Continue and expand the use of TECT (Targeted Enforcement and Compliance Team) focusing on specific operators and high profile rules f) Evaluate the impact of Regional Rail PTC (Positive Train Control) on Operations including throughput speeds, running times and signal clearance times. g) Create a ~~-~~Clean in 2017" station campaign that focuses on cleanliness around benches, trash cans and stairways. h) Continue Customer Impact Program for City station cleaners. i) Conduct a Quality Assurance/Quality Control Plan that includes DGM, AGM's, Chief Officers and Directors frequency of inspection cycles. j) Collaboratively prepare for service enhancements and the deployment of Ambassadors during major special events. k) Develop improvements in CCT's patron eligibility process.
III. Support Capital Improvement Projects	a) Continue to support the modernization of the CBTC (Communications-Based Train Control) system on the MSHL. b) Continue interagency radio interoperability for first responders. c) Coordinate the impact of construction with alternate substitute transportation to minimize customer and service disruptions.
IV. Improve Employee Satisfaction and Develop a Highly Qualified Staff	a) Award a contract for Regional Rail simulators to be utilized by Training Department. b) Proactively address organizational turnover. c) Continue incremental improvement to workforce diversity among organization. d) Continue active involvement with APTA Bus Operation and Bus Rodeo Committees. e) Support efforts to maintain completed FIT improvements in outlying yard facilities.

Current Goals	Initiatives
	f) Resolve outstanding issues resulting from the full implementation of the crew management system. g) Focus on BLET engineer hiring and training to fully staff budgeted headcount. h) Work with Labor Relations to develop and conduct workshops designed to increase and improve managers' expertise in contract compliance, discipline assessment and grievance handling.
V. Improve Productivity and Cost Effectiveness	a) Continue to develop the Fleet Management Plan and monitor its effectiveness towards maximizing the utilization of all fleets. b) Manage warranty compliance in specifications for SEPTA's new bus procurement contracts with OEM's and suppliers. c) Continue to advance the evaluation of innovative vehicle technologies focusing on energy savings. d) Continue the conversion of incandescent to LED lights on bus fleet. e) Research vehicle material upgrades to increase fleet durability and reliability. f) Advance technologies to support extended low voltage DC battery life.
VI. Support the Authority's Ridership Growth Efforts	a) Award contract for 525 hybrid-electric buses. b) Award contract for 25 battery-electric buses, pending receipt of low or no emissions grant funding. c) Advance contract for CCT Paratransit vehicles. d) Complete 22 Bombardier push-pull overhauls by vendor Hyundai-Rotem. e) Open bids for 45 multi-level railcars and award contract. f) Achieve key VOH production goals. g) Publish trolley modernization feasibility and clearance studies in preparation for infrastructure upgrades.

Current Goals	Initiatives
	h) Award first major contract for Frazer yard improvements. i) Conduct trolley tunnel blitz.
VII. Support the Authority's Implementation of New Payment Technologies	a) Continue rollout of SEPTA Key for City and Suburban transit. b) Continue to work with Communications/ Marketing, Government Affairs and Press Relations to develop and implement a comprehensive communications plan for NPT. c) Continue to support the advancement of NPT Program.
VIII. Nurture Stakeholder Relationships	a) Continue to nurture stakeholder relationships. b) Conduct periodic briefings with state, local, and federal officials. c) Conduct periodic briefings with Citizen Advisory Committee, Youth Advisory Committee, SEPTA Advisory Committee on Accessible Transportation, and other key stakeholder groups. d) Continue working with Philadelphia Streets Departments, MOTU, DVRPC, Service Planning and PennDOT towards the implementation of the Traffic Signal Prioritization (TSP) initiative on Routes 6, 11, 52, 8, 60 and 66.

Fiscal Year 2016 Major Accomplishments

Improved Service Quality and Customer Satisfaction

- Implemented SEPTA's Operations and Station Plan for World Meeting of Families and Papal Visit
- Coordinated the following events: Made in America/Welcome America, Broad Street Run, Thanksgiving Day Parade, Philly Marathon, Veterans Wheelchair Games, Dilworth Park Dedication, and Villanova Championship Parade
- Improved Adverse Weather Plans for all modes and successfully responded to the Jonas Blizzard of January 2016
- Implemented FRA recommendation to identify and mark all rail territory where a difference in Maximum Authorized Speed (MAS) of more than 20mph exists and warn crews of the drastic reduction
- Ensured policy enforcement resulting in a reduction of no show/late cancellation suspensions from a count of 310 in July 2014 to 77 in May 2015
- Achieved successful completion of Nova bus implementation at various transportation locations
- Centralized the Victory and Frontier Divisions supervisory staffs
- Enhanced processes for improving Mean Distance Between Failure (MDBF) at all locations
- Developed Customized Community Transportation "Where's My Ride" program

Improved Productivity and Cost Effectiveness

- Processed improvements to reduce ADA eligibility application processing time from a monthly average of 48 days to 5.6 days
- Worked with state and federal consultants in the FY 2013 Program Review of the SRP Programs as well as the FTA's NTD FY 2014 Audit with no findings of program deficiencies
- Revamped reporting and pull-in requirements for Surface Transportation operators improving efficiencies and cost savings
- Negotiated a liquidated damages settlement with Sojitz/Hyundai Rotem USA related to the Silverliner V procurement to perform interior overhauls on 14 Bombardier push-pull coaches

(d) Operations

Improved Customer and Employee Safety and System Security

- SEPTA successfully responded to Amtrak derailment
- Initiated active use of CCTV for virtual patrol of 3PM to 11PM work shifts
- Achieved a reduction in reported Part One Crimes (murder, rape, robbery, aggravated assault, burglary, theft and arson) on MFL and BSL as follows: 16% reduction from calendar year 2013 to 2014 and 2% reduction from calendar year 2014 to 2015
- Completed outfitting of all Transit Police personnel with Taser devices
- Fully implemented the SEPTA Transit Police Body Camera Program
- Initiated "Stay Back From the Edge" Safety Campaign during January 2015
- Conducted external Safety Day for customers and surrounding communities focusing on ~~–R~~espect the Train", January 2016
- Modified signal system entering AT&T Station as result of a Process Audit and Risk Assessment occurring in June 2015
- Completed Fatigue Awareness Training at most of the nine operating locations
- Initiated an Accident Reduction Campaign
- Achieved replacement of mirrors on existing New Flyer buses
- Implemented ~~–O~~peration Eye Opener," a campaign to heighten safety awareness of all SEPTA operators in various operating environments

Supported the Authority's Implementation of New Technologies

- Updated Train View feature on SEPTA's web site
- Developed an automated Twitter post for all Regional Rail lines when trains are reported 10 minutes or more late

Supported Capital Improvement Projects

- Supported key construction projects including: 16 Day Tunnel Blitz, 10 Week Media Line Busing, Positive Train Control Design for Control Center work stations, Crum Creek Bridge Replacement, and SEPTA/CSX Separation Project
- Received SEPTA Board approval for the purchase of 13 electric locomotives to be used in the push-pull fleet
- Completed specification and bid package was issued for up to 45 new multi-level push-pull coaches and cab cars

Improved Employee Satisfaction and Developed a Highly Qualified Staff

- Continued in-house training programs for management and hourly personnel



SEPTA

Engineering, Maintenance and Construction

(e) Engineering, Maintenance and Construction

Overview

The Engineering, Maintenance and Construction Division is responsible for all engineering and maintenance related to the Authority's stations, buildings, bridges, track, communications and signal and power systems. The Division is also responsible for capital construction of both transit and railroad facilities and right-of-way elements.



(e) Engineering, Maintenance and Construction

Fiscal Year 2017 Headcount

Operating Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Administration & Finance	1	-	-	-	-	1
Capital Projects	7	-	-	-	-	7
Civil Engineering	4	1	-	-	-	5
Operations Support	178	64	798	-	-	1,040
Project Compliance	-	-	-	-	-	-
Project Control	-	-	-	-	-	-
Real Estate	11	4	-	-	-	15
Total Operating Heads	**201**	**69**	**798**	**-**	**-**	**1,068**

Capital Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Administration & Finance	4	-	-	-	-	4
Capital Projects	37	-	-	-	-	37
Civil Engineering	4	-	-	-	-	4
Operations Support	96	7	300	-	-	403
Project Compliance	3	-	-	-	-	3
Project Control	8	-	-	-	-	8
Real Estate	-	-	-	-	-	-
Total Capital Heads	**152**	**7**	**300**	**-**	**-**	**459**

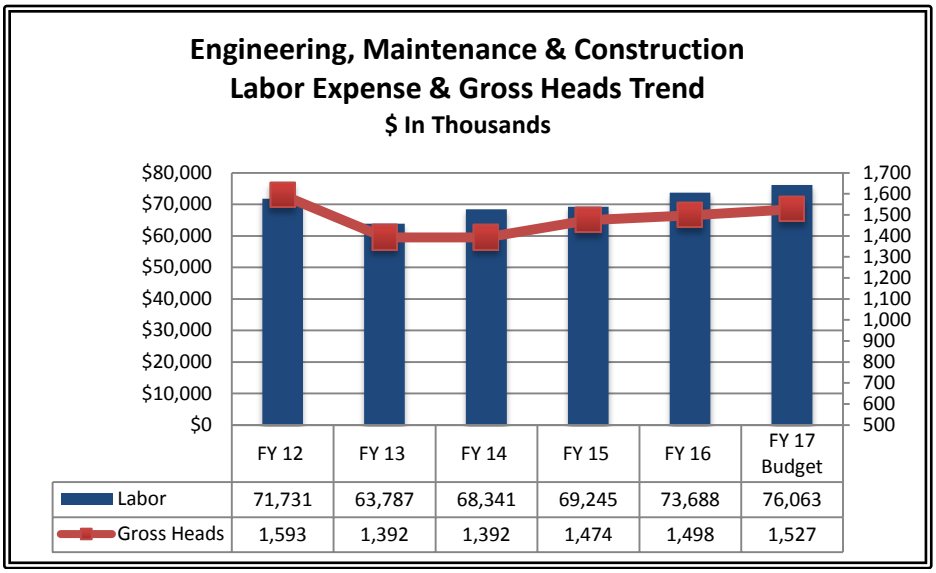
Total Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Administration & Finance	5	-	-	-	-	5
Capital Projects	44	-	-	-	-	44
Civil Engineering	8	1	-	-	-	9
Operations Support	274	71	1,098	-	-	1,443
Project Compliance	3	-	-	-	-	3
Project Control	8	-	-	-	-	8
Real Estate	11	4	-	-	-	15
Total Heads	**353**	**76**	**1,098**	**-**	**-**	**1,527**

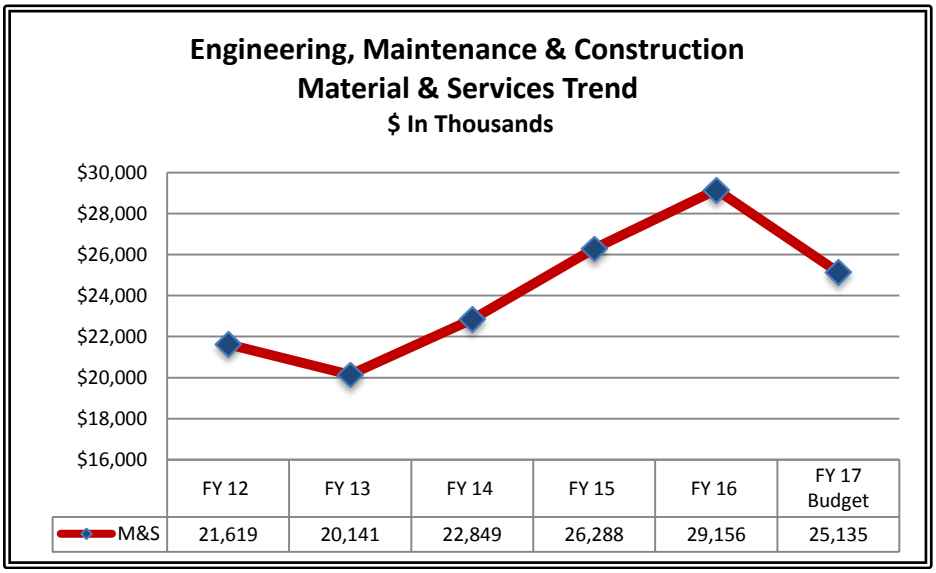
(e) Engineering, Maintenance and Construction

Fiscal Year 2017 Budget

Amounts in Thousands (,000)

	Net Labor	Material & Services	Total
Administration & Finance	$ 50	$ -	$ 50
Capital Projects	444	54	498
Civil Engineering	331	95	426
Operations Support	74,311	21,776	96,087
Project Compliance	-	-	-
Project Control	1	17	18
Real Estate	926	3,193	4,119
TOTAL	**$ 76,063**	**$ 25,135**	**$ 101,198**





(e) Engineering, Maintenance and Construction

Principal Responsibilities

ADMINISTRATION & FINANCE
Coordinate and manage the financial and administrative activities for the Engineering, Maintenance and Construction Division. Primary responsibilities include: Operating Budget; ISRP development, analysis and reporting; Human Resource administration; Contract Management; and Asset Maintenance Management System development.

PROJECT CONTROL
Provide budgeting, cost control, scheduling, claims management and capital program systems support to project management staff. Responsible for the centralized monitoring and reporting of SEPTA's Capital Spending Program including the publication of the monthly Fiscal Year Capital Performance Report and the annual Fiscal Year Capital Spending Forecast for the Authority.

PROJECT COMPLIANCE
Provide Quality Assurance/Quality Control and oversight for the capital program. Responsible for the development and implementation of document control procedures and Project/Construction Management Standards. Also prepares submittals for environmental and historical regulatory approvals.

CIVIL ENGINEERING
Provide civil engineering services for all maintenance and renewal projects. Coordinate and provide oversight for public agency, utility, and private work on, over, or adjacent to SEPTA's right-of-ways.

CAPITAL CONSTRUCTION – PROJECT DEVELOPMENT
Develop conceptual designs, cost estimates, and Request for Proposal documents for design projects. Manage the awarded design projects through to completion of design phase. Provide cost estimating services for Divisional projects.

CAPITAL CONSTRUCTION – RAIL FACILITIES
Manage the engineering and construction of capital projects for fixed plant facilities, including improvements to stations, track, signals, bridges and parking facilities for railroad operations.

CAPITAL CONSTRUCTION – TRANSIT FACILITIES
Manage the engineering and construction of capital projects for fixed plant facilities, including improvements to stations, maintenance facilities and garages for transit operations.

ENGINEERING AND MAINTENANCE – BRIDGES AND BUILDINGS
Provide structural, architectural and mechanical engineering services. Perform all major force account construction projects and maintenance of stations, buildings, bridges, maintenance shops and electrical/mechanical infrastructure. Perform regular inspection of all bridges, tunnels, buildings and other structures and fixed plant infrastructure.

ENGINEERING AND MAINTENANCE – COMMUNICATIONS AND SIGNALS
Perform regular inspection, testing, maintenance and reconstruction of the signal system. Provide engineering and design services for all signals and communications maintenance and renewal projects. Perform all radio, telecommunications and railroad communication maintenance. Manage the engineering and construction for capital projects for communication and signals infrastructure.

(e) Engineering, Maintenance and Construction

ENGINEERING AND MAINTENANCE – POWER
Perform regular inspection, maintenance and reconstruction of electric traction and signal power systems and electrical infrastructure. Provide engineering and design services for all related maintenance and renewal projects. Manage engineering and construction for capital projects for power and electrical infrastructure.

ENGINEERING AND MAINTENANCE – TRACK AND UTILITY
Perform inspection, maintenance and reconstruction of track and right-of-way areas. Provide track engineering and design services for all maintenance and renewal projects. Operate Track Shop to support Authority's requirements for routine and specialty track design and fabrication. Operate Midvale Utility Group which oversees the use of non-revenue and utility vehicles.

REAL ESTATE

Property Development and Acquisition
This unit within the Real Estate Department manages real property dealings on behalf of the Authority, including carrying-out activities pertaining to the acquisition, development, leasing and sale of SEPTA-owned properties. Department staff also works with external parties in the joint development of leased properties, undertaking of public improvements, the establishment of revenue generating utility occupancy arrangements, and the transaction of land and facility acquisitions that provide for and support infrastructure and ridership enhancements.

Headquarters Support Services Management/Administration
This unit oversees office space planning, design and implementation, and day-to-day facilities management (which is performed by third party contractors) for SEPTA Headquarters at 1234 Market Street. Unit staff acts as liaison with contracted building operations management and SEPTA in-house labor. Coordinating the utilization of pool vehicles and the administration of all contracted vendateria services are also conducted by the staff of this unit.

Asset Management
The key responsibility of the Asset Management unit is the use and upkeep of the Real Estate Management System which stores, organizes and makes available an electronic version of real property documents, diagrams and maps. The system can provide a property inventory, automated contract administration cues, and the generation of qualitative and quantitative reports.

Mail and Document Reproduction Services
This unit manages the operation of the mail room and the performance of mail services in compliance with the applicable labor contract and U.S. Postal requirements. Staff also oversee and manage centralized document reproduction services.

SUPPORT SERVICES
Support Services manages and supports all of EM&C's external and internal customer service efforts ensuring that all EM&C departments are responsive, aware of and sensitive to issues affecting customers, neighbors and stakeholders. Responsible for serving as a liaison with all external and internal customers outside EM&C. Support Services also provides on-going maintenance of employee locations that have received Facilities Improvement Team remodels, ensuring that this substantial investment in workplace quality and morale is continually improved throughout the Authority.

(e) Engineering, Maintenance and Construction

Fiscal Year 2017 Goals & Business Initiatives

Current Goal	Initiatives
I. Rebuild the system	a) Control capital project spending by keeping costs within budget b) Achieve targets for New Payment Technology substantial completion, and interim milestones for all A&E and Construction c) Pursue Project Control initiatives focusing on and General Engineering Consulting contracts d) Commence, advance and complete all scheduled Engineering, Maintenance & Construction Department ISRP projects e) Maintain State of Good Repair database to provide a capital asset Inventory and an analysis of capital investment backlog and investment alternatives f) Advance design and construction projects under Building the Future Program, including new traction power substations, bridge and viaduct replacements/rehabilitations, station improvements and maintenance facility roof replacements
II. Sustainability	a) Promote cost effective implementation of sustainability projects by incorporating Leadership in Energy and Environmental Design (LEED) and Energy Star design standards while adhering to budgets b) Manage capital investments to reduce long term utility costs by completing energy efficient lighting improvement projects. Advance Guaranteed Energy Savings Projects (ESCO). Conduct energy audits to determine additional savings opportunities c) Continue to improve the Authority's recycling program at stations and operating locations d) Continue to harden infrastructure to combat severe weather e) Advance Combined Heat and Power (CHP) project

(e) Engineering, Maintenance and Construction

Current Goal	Initiatives
III. Safety and Security	a) Conduct internal and external Safety Days to focus on employee and rider/public safety issues b) Advance system modernization projects including ATC/PTC (RR and M/SH), Frankford haunch repairs, railroad substations renewal, and Crum Creek viaduct replacement c) Insure ongoing infrastructure maintenance by insuring strict compliance with all mandated standards, agency regulations and internal policies and procedures for rail and transit safety. Regular inspections and preventive maintenance to be performed in accordance with all codes, regulations and OEM recommendations. d) Employee IOD lost time to be measured and monitored with targets for reduction established
IV. Expand System Capacity	a) Advance projects that support ridership growth b) Advance Lansdale Station parking garage and Elwyn-Wawa service restoration
V. Customer Service	a) Support customer service related operating and maintenance projects including railroad snow removal, cleanliness of facilities, loops, and stations, maintenance blitzes at multi-modal transportation centers, maintenance to elevators and escalators to meet reliability targets, timely response to Veritas reports/Customer Service issues, and the coordination of maintenance and construction activities to minimize track outages b) Support customer service related capital projects such as construction at Secane Station and Levittown Station
VI. New Technologies	a) Pursue communications-based technological upgrades including Positive Train Control, wireless delivery of real time service information, cell phone access in SEPTA tunnels, Wi-Fi internet access hotspots and new Asset Management software

(e) Engineering, Maintenance and Construction

Current Goal	Initiatives
VII. Human Capital Development	a) Minimize employee turnover and improve hiring process management b) Implement and encourage employee training through a Rapid Assimilation Program for new engineers, an elevator/escalator maintenance apprentice program and full utilization of SEPTA Human Resources SAM training seminars. Support the AIM training and succession planning program c) Assist the Division's Professional Engineers in obtaining continuing education credits required to maintain Pennsylvania license d) Review and update at least 50% of the relevant skills qualification tests administered by the Testing Center

Fiscal Year 2016 Major Accomplishments

Governor's Award For Environmental Excellence – Griscom / Wayside Energy
On March 9, 2016, SEPTA's Power Department was recognized for their efforts on the FTA funded Griscom Wayside Energy Storage System Project. The Pennsylvania Department of Environmental Protection will be awarding SEPTA the 2016 Governor's Award for Environmental Excellence. The award is open to any Pennsylvania business, farm, government agency, educational institution, non-profit organization and individual that have created, or participated in, the development of a project that promotes environmental stewardship and economic development in the state. The Griscom WESS Project was selected in part for its ability to capture and reuse energy from braking trains on the Market-Frankford Subway Elevated Line. In addition to this energy sustainability, the project provides for economic sustainability both in the reduction to SEPTA's overall electric bill and in providing a revenue stream by participating in the frequency regulation market to help keep the utility grid stable.

West Trenton Separation
The SEPTA and CSXT Separation Project involved a physical separation of freight and passenger rail operations on a six mile segment of railroad, where the northern end of SEPTA's West Trenton Regional Rail Line operated over CSXT's Trenton Subdivision or Line, which is the main north-south freight corridor. The physical separation of tracks and rail systems took place between "Trent" and "Wood" interlockings and required construction of a new three mile long siding track, new Interlocking at Yardley, complete renewal of "Wood" and "Trent" interlocking, reconfiguration of West Trenton yard and renewal of the signal system over the entire six mile right-of-way.

Trolley Blitz
Beginning on August 1, 2015 and ending August 16, 2015, SEPTA's Engineering, Maintenance, and Construction personnel completed the 2015 Trolley Blitz. This temporary suspension of trolley service through the subway-surface tunnel connecting West Philadelphia and University City with Center City allowed EM&C to perform extensive heavy maintenance efforts that would have been less efficient and more disruptive to service if completed over numerous night and weekend outages. During the sixteen day Blitz, many key infrastructure components were completed to maintain reliable service, as well as aesthetically improving the stations. Extensive planning and coordination between both SEPTA's Engineering and Maintenance Staff allowed for the successful execution of such an aggressive work plan. However, none of this work would have been completed without a dedicated work force from all EM&C disciplines. The crews worked twenty-four hours a day during the sixteen day outage, and worked efficiently and effectively.

Route 101/102 Improvements
The Common Leg and Route 101/102 Trolley Lines have had heavy use over the years and with restrictions on planned maintenance outages for these sections of track, the Summer Shutdown could not have occurred at a better time. The shutdown allowed trackwork renewal and resurfacing, bridge and grade crossing improvements, drainage upgrades and station painting and repairs. Coordination of this work took a team effort with internal SEPTA Departments, contractors and local municipalities coming together to perform the scheduled work.

9th Street Station

The 9th Street Station is SEPTA's first new railroad station in 20 years and was constructed as a cooperative effort between SEPTA, the Borough of Lansdale and the Lansdale Parking Authority. It will serve to support increased ridership on the line, future Transit Oriented Development (TOD) and will help alleviate the loss of parking during construction of the parking garage at Lansdale station. The new station is located north of Lansdale Station, West of the intersection of 9th Street and Shaw Avenue, where 9th Street terminates at the railroad right-of-way. The station is fully ADA (the Americans with Disabilities Act) compliant includes design features that blend with the character and nature of the surrounding township and the history of the railroad. The station was designed by SEPTA's Bridges and Buildings and Civil Engineering departments and construction was performed by SEPTA in-house forces using durable and aesthetically pleasing materials and was completed in 6 months.

Race Vine ADA Improvements

Located North of City Hall and just west of the Convention Center, the recently completed Race-Vine Station ADA Improvements Project involved the installation of three new elevators on SEPTA's Broad Street Subway Line (BSL).These elevators connect both mezzanine and platform levels to the street and will allow BSL patrons greater access to Center City venues. Goals realized with this project include increased operational and customer efficiencies when SEPTA's Key technology is fully initiated. Additional customer related improvements include several safety and security enhancements and the installation of accessible signage throughout the station.



SEPTA

Deputy General Manager Staff

(f) Deputy General Manager Staff

Overview

The Deputy General Manager's (DGM) Staff departments include: DGM Staff, Communications, Labor Relations, Information Technology and Office of Business Innovation. Their principal responsibilities are listed in the following sections. This is in addition to the divisions: Finance and Planning, Human Resources, Procurement, Supply Chain Management and Disadvantaged Business Enterprise, and Audit and Investigative Services Divisions.

Fiscal Year 2017 Headcount

Operating Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Deputy General Manager Direct Reports	9	-	-	-	-	9
Communications	11	5	3	-	-	19
Labor Relations	9	-	5	-	-	14
Information Technology	66	5	-	-	-	71
Office of Innovation	5	-	-	-	-	5
Total Operating Heads	**100**	**10**	**8**	**-**	**-**	**118**

Capital Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Deputy General Manager Direct Reports	-	-	-	-	-	-
Communications	-	-	-	-	-	-
Labor Relations	-	-	-	-	-	-
Information Technology	-	-	-	-	-	-
Office of Innovation	-	-	-	-	-	-
Total Capital Heads	**-**	**-**	**-**	**-**	**-**	**-**

Total Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Deputy General Manager Direct Reports	9	-	-	-	-	9
Communications	11	5	3	-	-	19
Labor Relations	9	-	5	-	-	14
Information Technology	66	5	-	-	-	71
Office of Innovation	5	-	-	-	-	5
Total Heads	**100**	**10**	**8**	**-**	**-**	**118**

(f) Deputy General Manager Staff

Fiscal Year 2017 Budget
Amounts in Thousands (,000)

	Net Labor	Material & Services	Total
Deputy General Manager Staff	$ 1,402	$ 20	$ 1,422
Communications	1,282	1,132	2,414
Labor Relations	1,114	241	1,355
Information Technology	5,781	5,596	11,377
Office of Innovation	397	230	627
TOTAL	**$ 9,976**	**$ 7,219**	**$ 17,195**

Principal Responsibilities

COMMUNICATIONS
Responsibilities include internal and external communications including the development of customer information, brochures, posters and notices, system signage, way-finding information and maps. Manage the content, graphics, navigation, and editorial content for SEPTA public website and social media outlets. Develop new customer features and format for public website including real time service information and smart phone apps. Responsible for the redesign and editorial content of the Authority's employee Intranet site. Also responsible for preparing testimony, speeches, articles, General Manager communications with employees, Board Commendations and other correspondence. Direct the Art in Transit program. Manage Graphics, Printing Services, the Sign Shop, Fulfillment Services and Communications.

Print Services and Sign Shops
Serve as the internal production operations for Authority departments and operations. The Print Shop is responsible for printing approximately nine million transit schedules each year as well as customer brochures, posters, leaflets, maps, mass distribution employee memos, forms, corporate business cards and stationery. The Sign Shop is responsible for producing system and vehicle signs, decals, and banners, including system-wide transit stop signage.

Graphic Services
Provide creative concept, design, layout and pre-production services for all departments in the Authority for a vast range of projects including brochures, leaflets, posters, transit passes, maps, signage, marketing and sales materials. Responsible for graphic design of SEPTA's Internet and Intranet sites including specialty micro-sites.

Fulfillment Services
Provide direct mail service to customers, internal SEPTA departments and constituents requesting bulk distribution of transit timetables, customer service notices and other brochures and leaflets produced by the Authority. Manages timetable production contract.

Communications and Website Management
Responsible for all customer communications initiatives including all SEPTA service and project related information using a variety of tools including web, video, and social media. This unit is also responsible for the design, content, and management of the SEPTA website and Authority social media tools.

INFORMATION TECHNOLOGY

Emerging & Specialty Technologies
Provide the short and long term strategy, direction, management, and implementation of the core enterprise architecture and critical operations systems for the Authority. Manage new technologies and the support of Control Center specialty technology systems, real-time systems and public-facing applications. Responsible for the strategic design and development of advanced web applications to service the riding public.

Project Services
Support the development, integration and implementation of new software systems of business units throughout the Authority and maintain and enhance existing systems Authority-wide. This section responds to application software problems.

Infrastructure Services
Provide computer operations stability and access security on a 7-day/24-hour basis including problem management, disaster recovery, technical infrastructure management/ support and change control. Maintain the technology infrastructure necessary for business critical systems, including: enterprise e-mail services, internet/intranet access, payroll, materials management, general accounting, operations control centers, disaster recovery and business continuity. Support SEPTA's enterprise data communication systems and the entire microcomputer environment. Set standards for hardware and software used across the networks and install, support, and maintain the data network infrastructure throughout the entire Authority service area.

Records Management
Responsible for developing and implementing records management systems throughout the Authority, including record retention schedules, storage, retrieval, digital archiving, and destruction protocols.

LABOR RELATIONS

Conduct all labor negotiations with the bargaining units, handles all grievances, arbitrations, unemployment claims and Labor Board cases.

Negotiations

Serve as lead negotiator for all labor agreements with the Authority's collective bargaining units in accordance with State and Federal Laws.

Grievances, Arbitrations and Special Boards of Adjustment (SBAs)

Hear all third level and Labor Relations step grievances and represent the Authority in all arbitrations, SBAs and related litigation. Serve as primary liaison with all attorneys retained on special arbitration cases or other litigation.

Case Presentation to the Pennsylvania Labor Relations Board (PLRB)

Prepare and present all cases associated with the PLRB as they are filed by bargaining units and the Authority.

Job Classification/Wage Administration

Direct preparation of new and revised job descriptions for hourly classification and coordinate evaluations of bargaining unit positions and negotiate job restructuring and classification issues. Prepare and publish all hourly and non-supervisory wage rate manuals.

Training

Conduct relevant training of supervisors in contract interpretation and enforcement.

Joint Labor Management Relations

Conduct joint productivity meetings with labor representatives to promote the safe, efficient and economical operation of the Authority.

Unemployment Compensation

Direct all internal Unemployment Compensation activities, including administration of all claims and representations of Authority positions in hearings and appeals.

OFFICE OF INNOVATION

The Office of Innovation is a newly created department within the Office of the Deputy General Manager tasked with informing the implementation of SEPTA's Strategic Business Plan through new tools for business intelligence. The Office will execute this mission through exposure to innovative concepts and organizations, collaborative development and implementation of strategic initiatives, and a robust system for performance monitoring and management. Functional duties include:

Master Planning

Working with SEPTA business units to develop forward-looking master plans for aligning policies, procedures and practices with SEPTA's Strategic Business Plan and "Building the Future" program. Key focus areas include: The Customer Experience; Employee Development; Rebuilding the System; SEPTA is a Business; and Safety as the Foundation.

Performance Management

Measuring progress towards goals and targets pursuant to SEPTA's Strategic Business Plan and its balanced scorecard of key performance indicators. Through a Core Team of representatives from each SEPTA Division, performance indicators are tracked and reported on a monthly, quarterly, and annual basis, and reported to the public through the SEPTA website: www.septa.org/strategic-plan.

Insights & Analytics

Creating dashboards and analytical reports that support a business case for strategic initiatives, and developing new tools and methods to improve the availability of high-quality data to improve the insightfulness of potential analysis. Data is used to benchmark SEPTA performance against area organizations and industry peers as well as to create visualizations that provide useful information for corporate decision-making.

Corporate Initiatives

Executing strategic initiatives through the facilitation of collaborative, cross-departmental, multi-disciplinary teams focused on key themes associated with the SEPTA Strategic Business Plan and "Building the Future" program. Key focus areas include: Ridership Growth; Sustainability; Safety; Cybersecurity; Location Security; and Employee Communications.

(f) Deputy General Manager Staff

Fiscal Year 2017 Goals & Business Initiatives

Current Goals	Initiatives
I. Improve Productivity and Cost Effectiveness	a) Establish Operations and EM&C Metrics Website, including Key Indicator metrics and safety statistics b) Continue to work towards reaching a mutually agreed-upon collective bargaining agreement with outstanding unions c) Continue to support SEPTA's sustainability initiatives
II. Nature Stakeholder Relationships	a) Continue to participate and be engaged with initiatives and activities related to the American Public Transportation Association (APTA) and Pennsylvania Public Transportation Association (PPTA)
III. Implement Initiatives to promote maximum safety and security for our infrastructure, systems and personnel	a) Identify critical applications and systems and quantify Recovery Time Point Objectives and Recovery Point Objectives b) Harden Network and Computer Infrastructure against cyber-attacks or unauthorized intrusions on all systems connected to the SEPTA and OTN network c) Implement Single Sign-On to enhance security and improve the user experience
IV. Ensure best-in-class service delivery to exceed customer expectations	a) Complete the Mainframe Integration Suite b) Improve functionality of the Interactive Voice Response (IVR) System c) Implement redundant strategies for critical systems for operations and customer facing systems d) Replace ~~"P~~lan My Trip" option with ~~"T~~rip Planner" on SEPTA's website e) Create direct access link to the Procurement section of the ~~"D~~oing Business with SEPTA" portion of the Internet to capture customer questions, concerns, and comments

Fiscal Year 2016 Major Accomplishment

Improved Service Quality and Customer Satisfaction

- Completed signage programs for station improvement projects, including: 30th Street Station Signage Improvement Project, 23rd & Venango Bus Loop, City Hall Station/Dilworth Park Improvements Project, Norristown Transportation Center, 69th Street Transportation Center, and Jefferson Station Naming Rights

- Partnered with The Dream Flags Project where SEPTA inspires students to participate in "Dreams in Transit" exhibitions. Dream Flags created by students are on display at Jefferson Station, 69th Street and Frankford Transportation Center

- Coordinated and managed the East Passyunk Crossing Civic Association art installation at SEPTA's substation located at 13th and Mifflin streets

- Completed comprehensive customer communication programs, including: Launched Dude It's Rude, Trolley Tunnel Blitz Station Improvement Project, Shuttle Service Projects, National Veterans Wheelchair Games Shuttle Bus Project, and Make the Safe Choice – Customer Safety Awareness Day

- Designed and built new customer website microsites, including: Rebuilding for the Future, Strategic Business Plan, and SEPTA Key

- Expanded customer (employee and rider) information video library, including: SEPTA Key, HR- Engineering Recruitment Campaign, Strategic Business Plan, Safety - Make the Safe Choice Campaign, Rebuilding for the Future Introduction, Trolley Tunnel Blitz, and Sustainability – Bike and Ride

- Redesigned the SEPTA Service Guarantee Program response formats to provide a better customer response

Supported the Authority's Implementation of New Technologies

- Supported development and design of SEPTA iPhone & Android apps



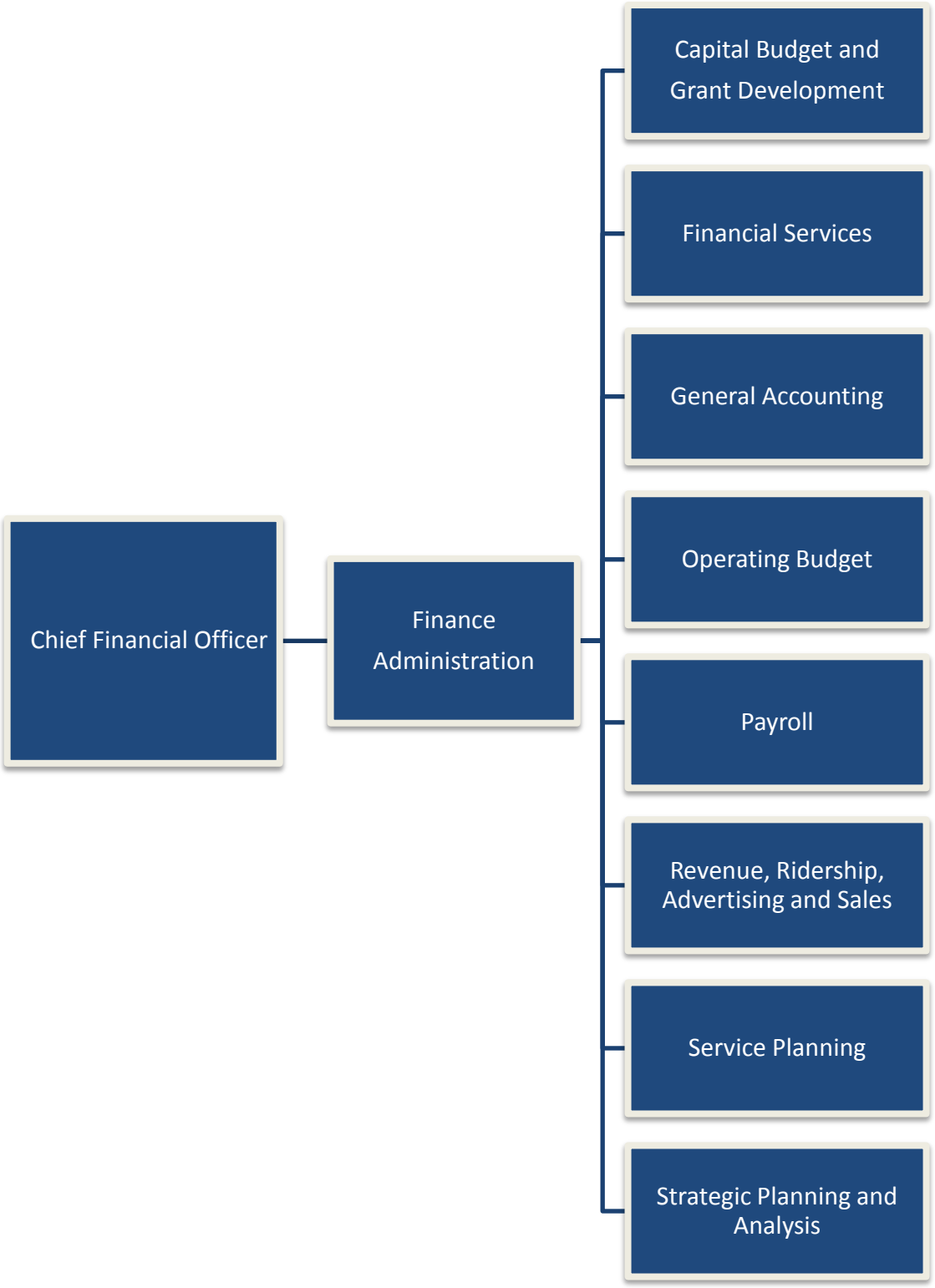
SEPTA

Finance and Planning

(g) Finance and Planning

Overview

The Finance and Planning Division develops and then monitors results for the Authority's Annual Service Plan, Operating and Capital budgets and federal, state and local grants. Oversee all Financial Services and Long Term Planning activities, including the preparation of monthly and annual financial statements for outside stakeholders and management of advertising contracts.



Fiscal Year 2017 Headcount

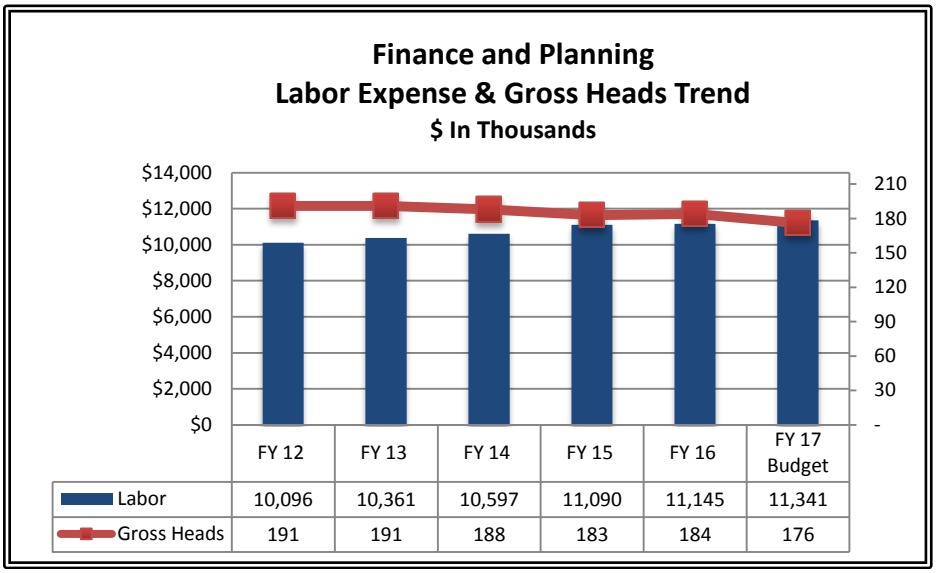
Operating Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Capital Budget and Grant Development	6	-	-	-	-	6
Finance Administration	9	-	-	-	-	9
Financial Services	24	8	-	-	-	32
General Accounting	9	2	-	-	-	11
Operating Budget	10	-	-	-	-	10
Payroll	3	2	-	-	-	5
Revenue, Ridership, Advertising and Sales	25	29	-	-	-	54
Service Planning	27	15	-	-	-	42
Strategic Planning and Analysis	1	-	-	-	-	1
Total Operating Heads	**114**	**56**	**-**	**-**	**-**	**170**

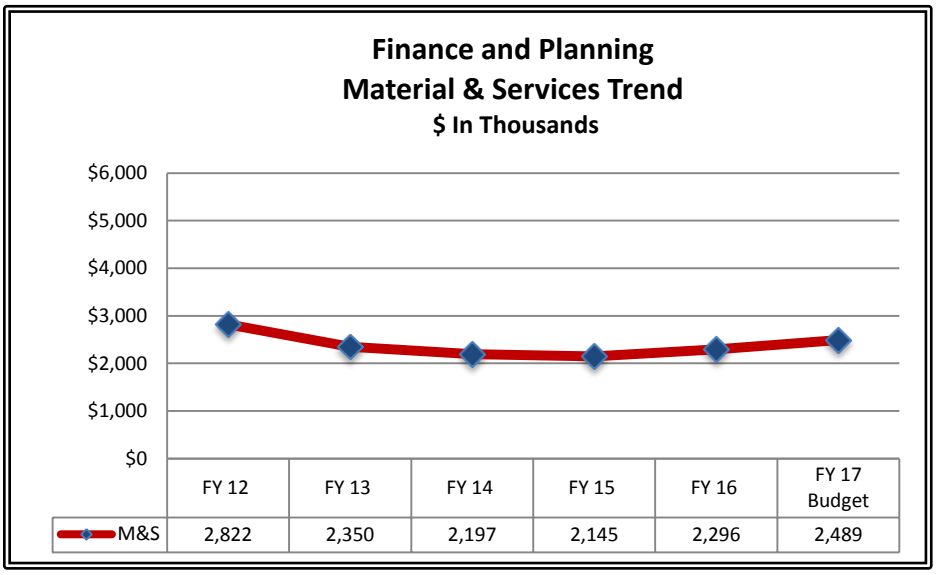
Capital Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Capital Budget and Grant Development	2	-	-	-	-	2
Finance Administration	-	-	-	-	-	-
Financial Services	-	-	-	-	-	-
General Accounting	-	-	-	-	-	-
Operating Budget	-	-	-	-	-	-
Payroll	-	-	-	-	-	-
Revenue, Ridership, Advertising and Sales	2	-	-	-	-	2
Service Planning	-	-	-	-	-	-
Strategic Planning and Analysis	2	-	-	-	-	2
Total Capital Heads	**6**	**-**	**-**	**-**	**-**	**6**

Total Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Capital Budget and Grant Development	8	-	-	-	-	8
Finance Administration	9	-	-	-	-	9
Financial Services	24	8	-	-	-	32
General Accounting	9	2	-	-	-	11
Operating Budget	10	-	-	-	-	10
Payroll	3	2	-	-	-	5
Revenue, Ridership, Advertising and Sales	27	29	-	-	-	56
Service Planning	27	15	-	-	-	42
Strategic Planning and Analysis	3	-	-	-	-	3
Total Heads	**120**	**56**	**-**	**-**	**-**	**176**

Fiscal Year 2017 Budget
Amounts in Thousands (,000)

	Net Labor	Material & Services	Total
Capital Budget and Grant Development	$ 416	$ 3	$ 419
Finance Administration	1,162	240	1,402
Financial Services	2,100	496	2,596
General Accounting	724	305	1,029
Operating Budget	767	86	853
Payroll	312	2	314
Revenue, Ridership, Advertising and Sales	3,347	1,289	4,636
Service Planning	2,403	62	2,465
Strategic Planning and Analysis	110	6	116
TOTAL	**$ 11,341**	**$ 2,489**	**$ 13,830**





(g) Finance and Planning

Principal Responsibilities

CAPITAL BUDGET and GRANT DEVELOPMENT
Develop annual Capital Budget and the twelve-year Capital Program. Prepare, maintain, execute and monitor federal, state and local grants from inception to grant close out. Develop transit capital projects for the regional Transportation Improvement Program. Provide oversight and prepare analyses of the Vehicle Overhaul Program, Infrastructure Safety Renewal Program, New Freedom Programs, and Transit Security Grant Programs. Also responsible for other special grant programs.

FINANCE ADMINISTRATION
Coordinate, manage, and direct the activities of the Finance and Planning Division. Oversee the development and implementation of the operating and capital budgets, strategic business plans and sustainability plan. Manage financial reporting and develop revenue strategies and fare policies. Coordinate all long range planning and service planning initiatives. Ensure that the Authority's resources are used effectively to maximize capital investments and to maintain access to the capital markets on reasonable terms and conditions.

FINANCIAL SERVICES

Accounts Payable, Billings and Cash Management
Process vendor payments; ensure items processed are correctly recorded; generate billings, capture and report capital project costs. Manage the Authority's cash resources to maximize investment income with an acceptable level of risk.

Financing and Pensions
Manage the Authority's debt portfolio to ensure compliance with covenants of indentures and loan agreements and timely payment of debt service. Analyze potential financing transactions and manage the negotiation and implementation of transactions utilizing public municipal debt markets or private placements and loan agreements. Negotiate pension investment management contracts, manage relationships with pension managers, and act as liaison among pension committee, consultants and pension managers. Provide oversight of investment options and manager/fund performance of Employee Deferred Compensation Plan 457B assets.

Revenue Accounting, Operating Grants, Accounts Receivable and Fixed Assets
Maintain accounting controls over operating revenues, operating subsidy grants, operating receivables and fixed assets. Prepare applications and billings for operating and senior citizen subsidies and accounts for capitalization and disposition of grant and non-grant property and related depreciation and contributed capital.

GENERAL ACCOUNTING
Manage the Authority's financial reporting and accounting activities. Produce timely and accurate financial reports and properly maintain the accounting system and related internal control structure which includes managing the monthly and annual financial general ledger close process. Prepare and issue monthly financial and statistical reports to the SEPTA Board and senior management. Prepare required quarterly and audited financial reports that are issued to various financial institutions and government agencies that provide debt financing or subsidies to the Authority.

OPERATING BUDGET

Operating Budget

Develop a budget plan based upon an evaluation of each department's operating needs in relation to the Authority's overall resources. Review and modify the consolidated results of all proposals to ensure that projected expenditures are balanced with projected revenues and subsidies. Develop annual Operating Budget and multi-year financial forecast. Evaluate proposed financial commitments and personnel requests on an ongoing basis to ensure sufficient funding and adherence to budget. Oversee SEPTA's utility accounts, and review and approve utility bills. Conduct analysis to track and forecast financial performance.

Reports & Systems

Maintain the Management Planning and Control (MPC) software used to produce the annual operating budget at the expense object level and integrate with the mainframe environment. Support and train the departmental users of the budgeting system. Coordinate with Information Technology to produce, maintain and distribute monthly and annual internal financial reports.

Specialized Support Assignments

Provide financial analysis and forecasting for substantive financial issues impacting the Authority including bargaining unit contract negotiations, propulsion power, utilities, fuel contracts and income generating contracts. Provide financial analysis for internal discussions and Board briefings.

PAYROLL

Process Authority payroll in a timely and accurate manner. Ensure that payroll-related contractual entitlements are properly reflected in accounting records and paid to individual employees.

REVENUE, RIDERSHIP, ADVERTISING AND SALES

Form a centralized leadership capacity to coordinate multifaceted operations including revenue generation via fare media, parking lots, and non-transportation related advertising income. Monitors and officially reports ridership levels and affiliated revenues. Coordinate Finance Division's participation in the advancement of the Authority's Key Card.

Revenue and Ridership Management

Develop and report monthly ridership and revenue levels. Manage all ridership and revenue data and issue reports as market conditions demand. Issue all required revenue and ridership reports to governmental and ancillary agencies. Manage third party contractors for SEPTA parking garages. Develop and support all Passenger Revenue pricing and tariffs.

Sales

Administers and conducts the sale of all prepaid fare instruments, within the SEPTA service area. Manage the daily operation of five full service sales centers, the Transit Store and the Shop.SEPTA web portal. Manages and coordinates sales to over 1,000 external sales venues such as corporate entities, school districts, and retailers. Validates and issues refunds and adjustments for lost rides and fare instruments.

Advertising

Responsible for administration of Transit and Railroad Advertising which includes station naming, bus and rail wraps, station and interior train digital screens, and static posters. Responsible for administration of outdoor advertising which includes an extensive static and digital billboard network. SEPTA's advertising contracts generate non-fare box revenue for the Authority.

SERVICE PLANNING

Plan and schedule service for City, Suburban and Regional Rail operations. Monitor and analyze route performance in accordance with applicable service standards to develop proposals for service improvements. Work with public and private partners to develop new services. Prepare the Annual Service Plan which includes the service proposals and annual economic review of all SEPTA routes. Serve as liaison with City and County planning agencies and Transportation Management Associations regarding service planning issues. Coordinate SEPTA's tariff and public hearing process for all route changes. Manage SEPTA central transit stop database and Automatic Passenger Count (APC) data and reporting. Provide Authority-wide Geographical Information Systems (GIS) support. Support Capital Budget planning on transit and railroad service issues.

STRATEGIC PLANNING AND ANALYSIS

Capital & Long Range Planning

Initiate studies and develop plans for expanding and improving the existing transit network to serve new markets and increase ridership. Manage key relationships and partnerships with the Metropolitan Planning Organization, city and county planning agencies, municipal organizations, Transportation Management Associations and other transit stakeholders throughout the service region to implement capital and long range planning projects. Coordinate with local governments, community organizations, and developers to encourage transit supportive development patterns and land uses. Conduct studies to assess the impacts of national, state and local demographic, economic, travel and development trends and forecasts for SEPTA's current and future markets, services and capital projects.

Operational Analysis

Conduct studies and analyze transformational investment plans to identify business opportunities to reduce costs, improve the customer experience and advance the sustainability of SEPTA as an organization. A primary emphasis is placed on leveraging vehicle and energy procurements to unlock efficiencies from fleet modernization.

Fiscal Year 2017 Goals & Business Initiatives

Current Goals	Initiatives
I. Improve internal and external customer responsiveness	a) Participate in SEPTA's Customer Service programs b) Ensure employee attendance at Customer Service training sessions c) Improve access to information through new technologies d) Proactively evaluate schedule and route changes to improve service reliability e) Respond quickly and effectively to customer inquiries
II. Strategically allocate resources and streamline processes to ensure cost effective service	a) Decrease paper usage b) Continue to evaluate alternative funding opportunities
III. Expand and strengthen the Authority's stakeholder network	a) Develop partnerships with community groups, business associations, transportation agencies and other stakeholders to evaluate opportunities to serve new markets
IV. Support the economic, financial, social and environmental sustainability of the Authority	a) Support and promote SEPTA's Sustainability Program (www.septa.org/sustain) b) Support Capital development and State of Good Repair projects now possible with the passage of Act 89 in November 2013 c) Support transit-oriented development and other neighborhood sustainability projects d) Together with SEPTA's Office of General Counsel, work to optimize the impact of deregulation in the natural gas and market generation electricity industries
V. Strengthen accountability, transparency and visibility	a) Implement the Five-Year Strategic Business Plan b) Publish a greater volume of ridership and revenue information on SEPTA intranet c) Coordinate internally to ensure compliance with new reporting standards d) Proactively develop communications strategies and public relations campaigns around strategic initiatives

(g) Finance and Planning

Current Goals	Initiatives
VI. Act as a steward for the Authority's short, mid and long-term planning efforts	a) Support efforts to achieve targets set forth in the Five-Year Strategic Business Plan b) Incorporate other targeted planning efforts as an integrated component of the Strategic Business Plan c) Develop capacity for long-range planning and alternatives analysis d) Oversee Norristown High Speed Line Extension planning efforts
VII. Build a highly skilled, diversified, versatile workforce	a) Cross-train employees among departments to break down decision-making silos b) Conduct comprehensive succession planning

Fiscal Year 2016 Major Accomplishments

- SEPTA Awarded $86.8 Million FTA Grant to Strengthen System Against Storms
 The Authority received an $86.8 million federal grant for seven projects designed to improve the transit system's resilience to severe weather events. The resources come from the Federal Transit Administration (FTA) Emergency Relief Program, which was funded in the aftermath of Hurricane Sandy. These improvements will allow SEPTA to harden core elements of its infrastructure to protect against weather-related impacts.

- Extension of Bus Route 53. As a part of our continuous efforts to enhance transit accessibility, a route extension and alternate end of line destination for Route 53 was introduced in February, 2016. This extension provided service to the Hunting Park and Juniata Park area that previously had no service. It will make access to shopping, schools and medical facilities more convenient for our customers.

- Urban Digital Panel Pilot program was introduced consistent with SEPTA's mandate to seek alternative sources of revenue in support of transit operations. The pilot program included the installation of eleven double-sided 55" digital screens at certain subway and railroad stations. The screens enable continuous streaming of SEPTA service information on a small portion of the screens, while rotating advertising, weather and news on the majority of the screen. If proven successful, the Authority will consider an expansion of the screens throughout other portions of the system.

- Expansion of Wayside Energy Storage System was implemented in December, 2015, through a tri-party agreement among Constellation NewEnergy, Inc., Viridity Energy, Inc., and SEPTA. The Authority's initial entry into the regenerative energy market began in 2010 with the installation of two battery systems with 1.8 megawatts of capacity. Upon completion of this expansion, an additional seven batteries with 8.75 megawatts of storage capacity will be deployed at SEPTA substations. This new agreement will provide SEPTA with energy savings and potential for revenue sharing without requiring upfront capital or incremental operating expense.

- SEPTA's first Guaranteed Energy Savings Contract and related financing agreement was executed in November, 2015. The agreements provide for the design, construction and financing of certain Energy Conservation Measures (ECM's) at no upfront cost to the Authority. The total cost of the ECM's is $18.2 million, and the guaranteed energy savings will be used to pay the debt service over the term of the agreement.

- SEPTA made significant progress in completing the Alternative Analysis and Draft Environmental Impact Statement (DEIS) for the King Of Prussia Rail Project. The King of Prussia Rail Project is an extension of the Norristown High Speed Line to the King of Prussia area in Upper Merion Township, serving the King of Prussia Mall, Business Park and residential communities of this part of the region. Key milestones reached within the project include the reduction in route alignment alternatives being considered from 16 different routes to the recommendation for a single Locally Preferred Alternative, the development of finalized ridership, capital and operating cost estimates, the completion of three rounds of public meetings, and work with the Economy League of Greater Philadelphia to assess the economic effects of the project on the greater Philadelphia region. The Draft Environmental Impact Statement is expected to be released in December of 2016.



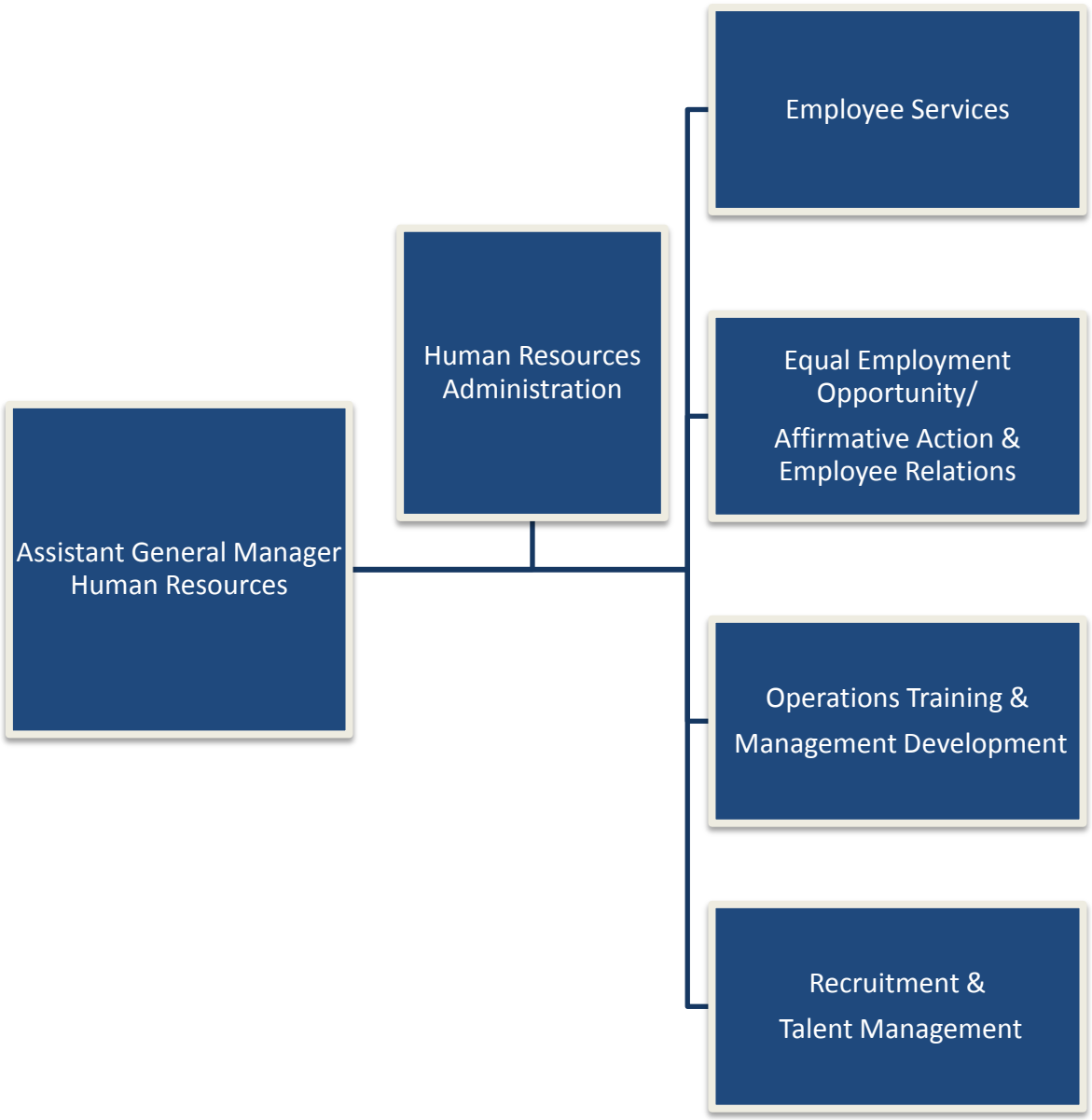
SEPTA

Human Resources

(h) Human Resources

Overview

The Human Resources Division provides recruitment, training, cost effective benefits and pension programs, and manages employment law programs. The Division is charged with locating prospective new employees and assisting them to assimilate, grow, learn and remain productive assets to the Authority. Human Resources supports employees from the onset of initial interest in the Authority until long after they depart.



Fiscal Year 2017 Headcount

Operating Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Employee Services	20	17	-	-	-	37
EEO/AA and Employee Relations	6	-	-	-	-	6
Human Resource Administration	5	-	-	-	-	5
Recruitment & Talent Management	14	-	-	-	-	14
Operations Training & Management Development	98	-	-	-	-	98
Total Operating Heads	**143**	**17**	**-**	**-**	**-**	**160**

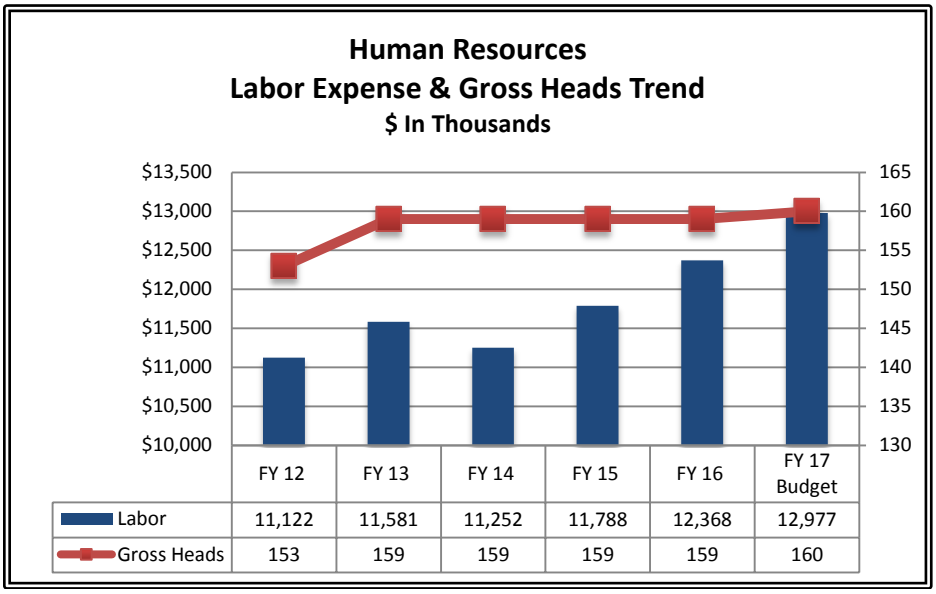
Capital Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Employee Services	-	-	-	-	-	-
EEO/AA and Employee Relations	-	-	-	-	-	-
Human Resource Administration	-	-	-	-	-	-
Recruitment & Talent Management	-	-	-	-	-	-
Operations Training & Management Development	-	-	-	-	-	-
Total Capital Heads	**-**	**-**	**-**	**-**	**-**	**-**

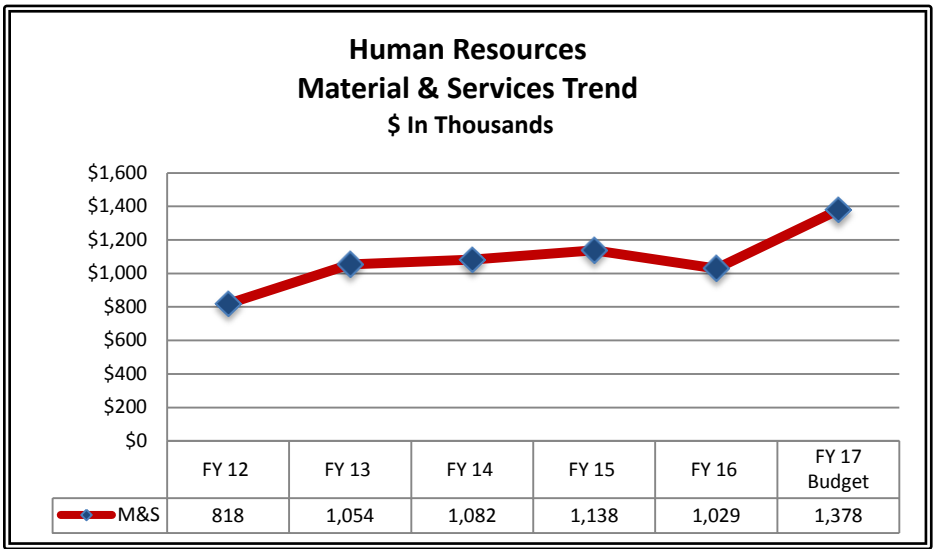
Total Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Employee Services	20	17	-	-	-	37
EEO/AA and Employee Relations	6	-	-	-	-	6
Human Resource Administration	5	-	-	-	-	5
Recruitment & Talent Management	14	-	-	-	-	14
Operations Training & Management Development	98	-	-	-	-	98
Total Heads	**143**	**17**	**-**	**-**	**-**	**160**

(h) Human Resources

Fiscal Year 2017 Budget
Amounts in Thousands (,000)

	Net Labor	Material & Services	Total
EEO/AA and Employee Relations	$ 514	$ 13	$ 527
Employee Services	2,966	438	3,404
Human Resources Administration	629	12	641
Operations Training & Management Development	7,823	691	8,514
Recruitment & Talent Management	1,045	224	1,269
TOTAL	**$ 12,977**	**$ 1,378**	**$ 14,355**





Principal Responsibilities

HUMAN RESOURCES TEAM
The Authority's dynamic business environment requires that Human Resources be responsive by developing and implementing employee initiatives that support the business strategy.

EMPLOYEE SERVICES

Medical
Conduct drug and alcohol testing in accordance with Authority policy and U.S. Department of Transportation regulations. Responsible for conducting medical examinations for fitness for duty, new hire physicals, medical surveillance programs (i.e. PCBs, asbestos), hearing conservation, etc. as required by the Authority. Administer the Employee Assistance Program for all employees and their dependents. Manage the Wellness Program, Family & Medical Leave Act (FMLA) program and medical case management.

Benefits
Design, negotiate and administer the benefits program, including medical, dental, prescription drug, life insurance, long term disability, supplemental insurance, COBRA, pension, deferred compensation (457B Plan), supplemental voluntary benefits and flexible benefits programs for 30,000 individuals, including employees, retirees and families. Conducts benefit orientations and information sessions concerning all employee benefits programs.

Compensation/Human Resources Information Systems
Develop, communicate and administer the compensation program for supervisory, administrative and management employees. Update information, monitor and train employees on the use of the Human Resource Information System (HRIS). Maintain files for 9,400 employees and evaluate salaried positions, utilizing the Hay Evaluation System.

Project Management and Organization Effectiveness
Develop initiatives throughout the Authority to improve quality, service and efficiency. These projects are designed to effectuate positive change in a corporate culture through best practices, strategies and new work processes. Develop, maintain and communicate policies and updates to all employees.

EQUAL EMPLOYMENT OPPORTUNITY/AFFIRMATIVE ACTION/TITLE VI AND EMPLOYEE RELATIONS (EEO/AA&ER)
Implement and promote the Authority's EEO/AA Program to address the needs of an increasingly diverse workplace. Respond to complaints of discrimination/harassment filed internally and externally. Ensure compliance with SEPTA's EEO/AA Policies and the Federal Transit Administration's (FTA) regulations. Handle a wide variety of employee relations issues.

RECRUITMENT AND TALENT MANAGEMENT
Direct and manage recruitment, hiring, testing and transferring of a qualified and competent workforce ensuring equal opportunities by applying controls and compliance to applicable laws throughout the recruitment and hiring process. Continue to assure communication, documentation and a fair selection process in filling Authority vacancies.

TRAINING

Provide training programs to improve employee performance, teach new skills or retrain employees as required to ensure that the work force has a comprehensive understanding of regulations, procedures, policies and skills to perform their assigned duties. Responsible for the highest quality training and follow-up recertification programs for transportation, maintenance and management employees.

Fiscal Year 2017 Goals and Business Initiatives

Current Goals	Initiatives
I. Implement a Succession Planning Process	a) Continue development phase for Group I participants b) Establish evaluation criteria c) Execute succession plans for all divisions d) Target goal is 50 percent of vacant positions filled from AIM Succession Planning Pool by 2019
II. Provide Leadership for Human Capital Development	a) Implement management transition program (AIM & Assistant Director) for developing first to second level transportation and SAM managers b) Review training needs throughout the Authority c) Assess targeted position's leadership and competency gaps across divisions d) Develop a curriculum that aligns with the succession plan's key positions leadership competency gaps e) Create individual development plans including alternative learning and development opportunities f) Continue implementation of Management Development Training Programs g) Minimize labor and training costs by utilizing computer-based training programs h) Develop programs to support career development/equal employment opportunities i) Continue tuition reimbursement program counseling in fields of study appropriate for career opportunities at SEPTA
III. Expand and strengthen the Authority's stakeholder network	a) Develop partnerships with community groups, business associations, transportation agencies and other stakeholders to evaluate opportunities that ensure a diverse labor force
IV. Provide leadership for Divisional Replacement Planning	a) Host monthly review meeting in which current headcount levels are reported and a six month hiring plan is formulated and approved b) Alter hiring strategies as needed to maintain approved budgeted headcount levels

(h) Human Resources

Current Goals	Initiatives
V. Reinforce Customer Service Authority-Wide	a) Administer the employee recognition program for outstanding customer service b) Reinforce the customer focus in hiring, on passenger boarding and training processes c) Continue to improve the Customer Service Center in Human Resources to better serve employees with customer satisfaction as a priority d) Continue the Human Resources Generalist Program to assist in the achievement of Authority goals by increasing the number of HR business partners to assist on-site managers and employees
VI. Expand the Employee Wellness Program	a) Stage and implement various initiatives to improve employee health including: • Weight Watchers at Work • On-site health and wellness activities • Dietician advisory • Farm to SEPTA • Walking Programs • Prevention and management programs • Intranet Health and Wellness classes

(h) Human Resources

Fiscal Year 2016 Major Accomplishments

- Through Recruitment & Talent Management's initiatives in working with employment applicants from AmeriCorps, the Peace Corp and related organizations, SEPTA was awarded the designation of "***Employer of National Service***". SEPTA also was awarded the designation of a "***Veteran Friendly Employer***" by establishing a partnership with the United States Veterans Administration.

- The Medical Department utilized Family and Medical Leave (FMLA) and sick leave data, on a weekly basis, to identify employee absence trends and their impact on Authority productivity. Through regularly established meetings, the department was able to insure that health issues are aligned with Operation's goals and initiatives.

- The EEO/AA & Employee Relations Department, in collaboration with the Recruitment & Talent Management Department, has developed partnerships that result in outreach to women and minority candidates across many disciplines. An emerging use of media tools and other technology has resulted in positive engagement of viable candidates to compliment SEPTA's increasingly diverse workforce.

- Implementation of the new SAM Pension Plan which resulted in higher contributions for current employees, as well as new hires. Cost savings were recognized by converting SEPTA dental plans to self-insured plans.

- The Training Department utilized additional metrics in the development of leadership program. The metrics were provided as part of SEPTA's Key Performance Indicators (KPI), which includes components that measure the growth of female and minority employees in the Officials & Managers and Professional Job Categories, through promotional and hiring efforts. The first class of participants graduated from the AIM Succession Planning Program. Training support was provided for SEPTA Key program.



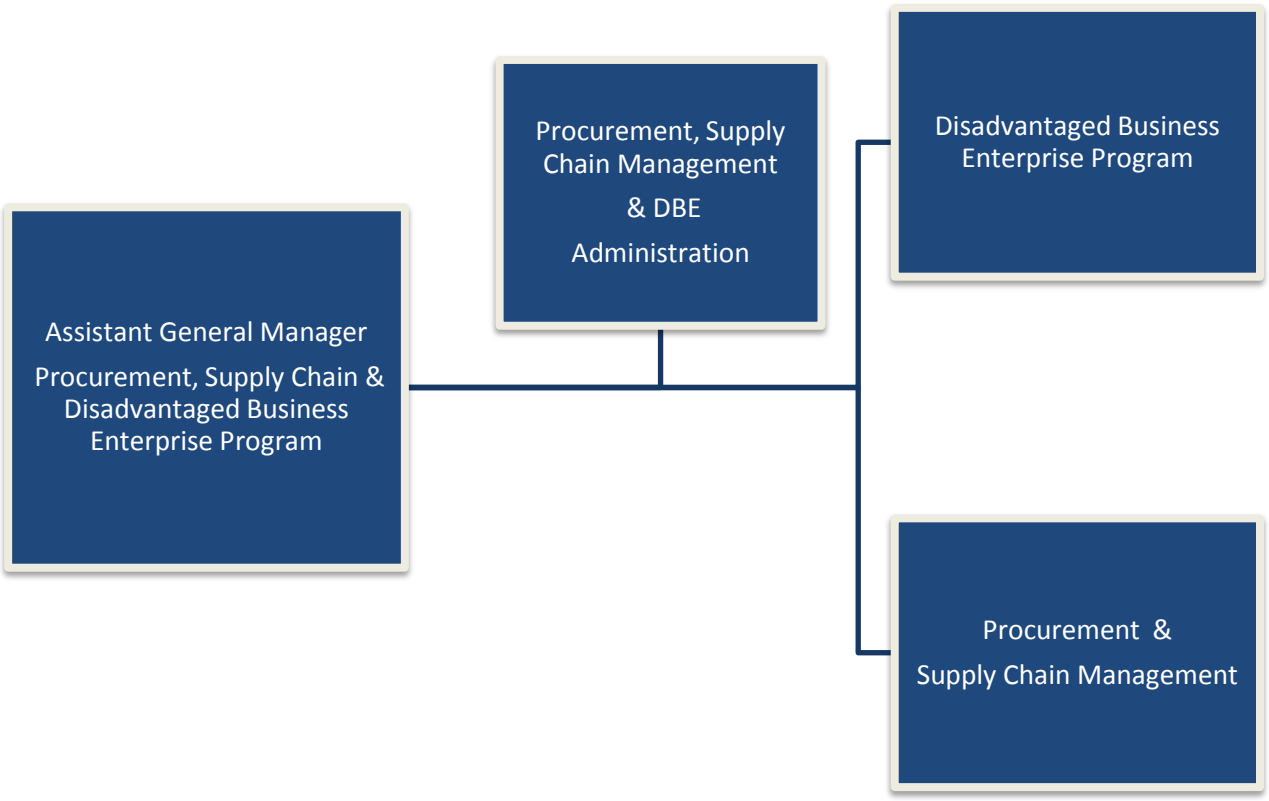
SEPTA

Procurement, Supply Chain & Disadvantaged Business Enterprise

(i) Procurement, Supply Chain & DBE

Overview

The Procurement, Supply Chain & DBE Division supports SEPTA's procurement and disadvantaged business enterprise related programs and initiatives.



Fiscal Year 2017 Headcount

Operating Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Administration	4	-	-	-	-	4
Disadvantaged Business Enterprise Program	4	-	-	-	-	4
Procurement & Supply Chain Management	76	59	3	-	-	138
Total Operating Heads	**84**	**59**	**3**	**-**	**-**	**146**

Capital Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Administration	-	-	-	-	-	-
Disadvantaged Business Enterprise Program	5	-	-	-	-	5
Procurement & Supply Chain Management	9	2	-	-	-	11
Total Capital Heads	**14**	**2**	**-**	**-**	**-**	**16**

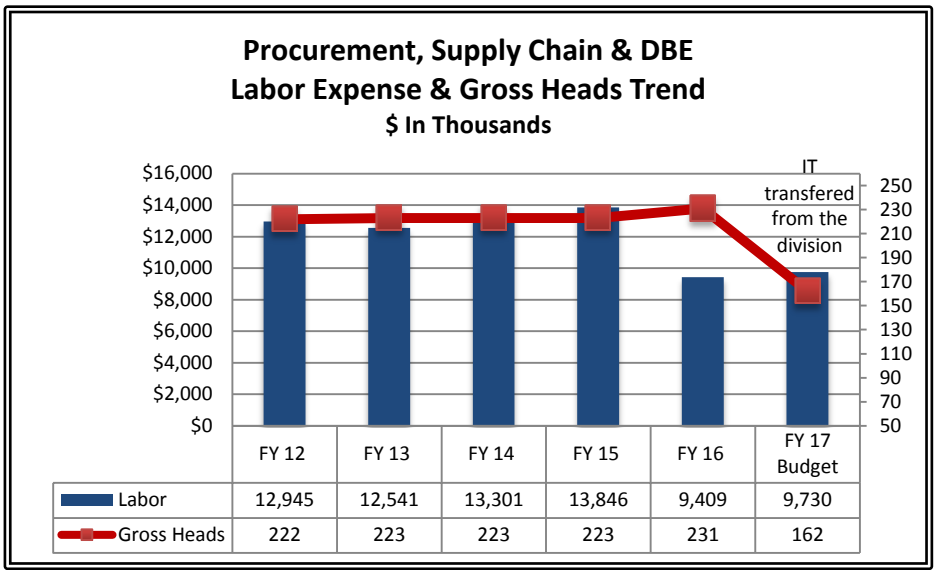
Total Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Administration	4	-	-	-	-	4
Disadvantaged Business Enterprise Program	9	-	-	-	-	9
Procurement & Supply Chain Management	85	61	3	-	-	149
Total Heads	**98**	**61**	**3**	**-**	**-**	**162**

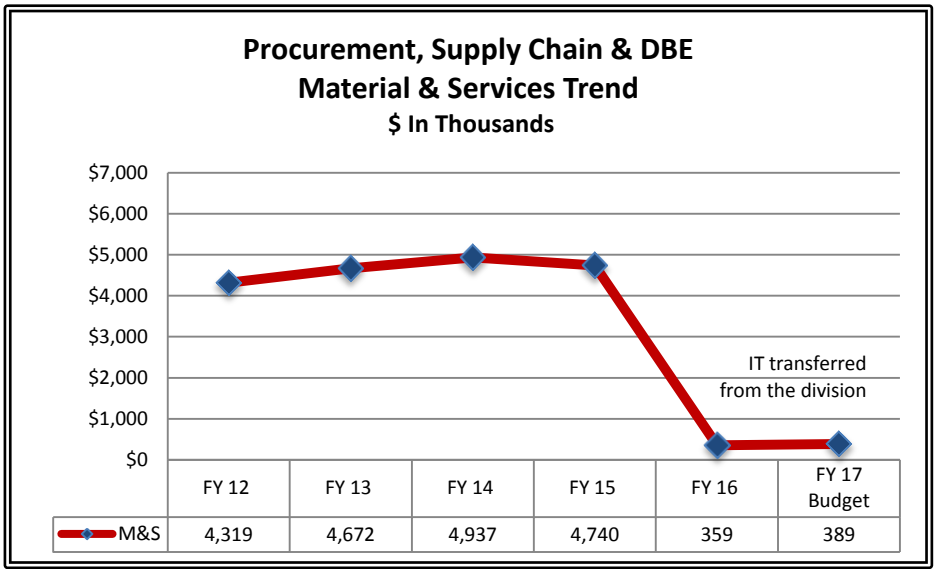
Note: The Information Technology Department was transferred out of this division in FY 2016 and now reports directly to the Deputy General Manager.

Fiscal Year 2017 Budget

Amounts in Thousands (,000)

	Net Labor	Material & Services	Total
Administration	$ 581	$ 15	$ 596
Disadvantaged Business Enterprise	285	32	317
Procurement and Supply Chain Management	8,864	342	9,206
TOTAL	**$ 9,730**	**$ 389**	**$ 10,119**





Principal Responsibilities

PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

Compliance and Quality Assurance
Provide coordination and enforcement of SEPTA's compliance with Federal, State and Local funding agency regulations for approved capital projects, planning studies and other non-operating projects. Participate in updating standard form contracts, the procurement manual and related policy instructions. Provide analytical reports, system administration, enhancements, and contract processing support for the department. Administer Authority-wide programs such as e-procurement, electronic stockless stationary, Procurement Card and the Material Management/Purchasing system.

Contract Administration
Responsible for proactive contract administration of construction, technical, professional services and vehicle/special service contracts including assembling of bid packages, solicitations, contract awards, and post-award administration (change orders, disputes and closeout). Responsible for overseeing contractors and vendors to ensure both parties meet their contractual obligations.

Purchasing and Resource Control
Perform analysis, forecasting, identification of inventory needs to determine adequate stocking levels to effectively purchase/lease non-stock infrastructure, rail and vehicle parts, material, equipment, supplies, and services utilized by the Authority, except for major vehicle procurements. Provide direct field support to maintenance directors and shop personnel. Perform requirements planning for vehicle overhaul programs and various maintenance projects.

Supply Chain Management
Perform analysis, forecasting, identification of inventory needs to determine adequate stocking levels. Responsible for storeroom operations, warehousing, distribution, and inventory replenishment. Lead integrated planning meetings with operational areas to ensure short and long term material requirements are understood. Direct receiving, documenting, storing, issuing, tracking and inventorying of all stock material for the Authority's diversified fleet and infrastructure maintenance. Coordinate and control the Authority-wide inventory reduction program. Responsible for maintenance, enhancement and control of the asset recovery process for the Authority.

DISADVANTAGED BUSINESS ENTERPRISE PROGRAM OFFICE (DBEPO)

Disadvantaged Business Enterprise (DBE) Certification
Participate as one of five principal certifying agencies within the Commonwealth of Pennsylvania to provide one-stop shopping for firms seeking certification as a Disadvantaged Business Enterprise (DBE) in accordance with 49 CFR Parts 26 and 23, and represent the Authority as a managing member of the Commonwealth of Pennsylvania's Unified Certification Program (PA UCP).

Small Business Enterprise (SBE) Program
Administer the Small Business Enterprise Program to meaningfully involve small business concerns in the Authority's procurement and contracting activities towards increasing the race-neutral portion of the Authority's overall DBE goal.

DBE Compliance
Review solicitations to ensure the meaningful involvement of DBE firms in the Authority's procurement and contracting activities; establish goals for applicable projects, evaluate bid/proposal submissions for adherence to DBE requirements, monitor projects for DBE goal achievement and ensure equitable treatment of DBEs performing on contracts.

DBE Program Outreach
Provide technical assistance, guidance and resources to all small businesses interested in pursuing contracting opportunities; coordinate internal and external outreach events; facilitate workshops and networking events for majority prime contractors, DBEs and SBEs.

(i) Procurement, Supply Chain & DBE

Fiscal Year 2017 Goals & Business Initiatives

Current Goals	Initiatives
The Customer Experience Ensure best-in-class service delivery to exceed customer expectations	a) Continue to develop relationships with small business advocacy organizations and development centers with the focus of providing support for small businesses to compete on projects b) Create a direct access link to the Procurement section of the –Doing Business with SEPTA" portion of the Internet, to capture customer's questions, concerns, and comments
Human Capital Development Develop a highly motivated and skilled workforce	a) Improve professionalism and quality of departmental performance b) Build and maintain professional relationships throughout the organization c) Familiarize and educate other department personnel concerning necessary processes for procuring goods and services
Rebuilding the System Improve facilities, structures, and work environment	a) Award combined heating plant procurement and manage post-award activities to ensure successful execution of contractual requirements
SEPTA is a Business Responsibly manage resources in a way that provides budget stability to grow the system	a) Conduct analysis of historic procurement activities to determine existing level of SBE/DBE contract awards to develop potential increased participation in support of the SBE plan b) Evaluate potential content to enhance the Procurement Internet application c) Achieve $3M revenue in asset recovery
Safety as the Foundation Implement initiatives to promote maximum safety and security for our infrastructure, systems, and personnel	a) Conduct Safety Briefings at all Distribution Centers and all regularly scheduled Safety Meetings in Supply Chain Operations b) Support Cross Functional team efforts to develop and maintain a Safety Critical Item determination and inspection process

(i) Procurement, Supply Chain & DBE

Fiscal Year 2016 Major Accomplishments

- Improved procurement turnaround time
- Improved material availability to ensure minimum number of vehicles out of service
- Implemented ongoing professional development programs for division personnel to ensure continuous improvement
- Improved and managed Procurement Card Program to minimize potential operational delays
- Initiated process reviews to eliminate administrative delays
- Conducted outreach events to benefit Disadvantaged Business Enterprises (DBEs) and Prime Contractors
- Maintained ongoing communication with DBEs through periodic emails concerning business opportunities with SEPTA



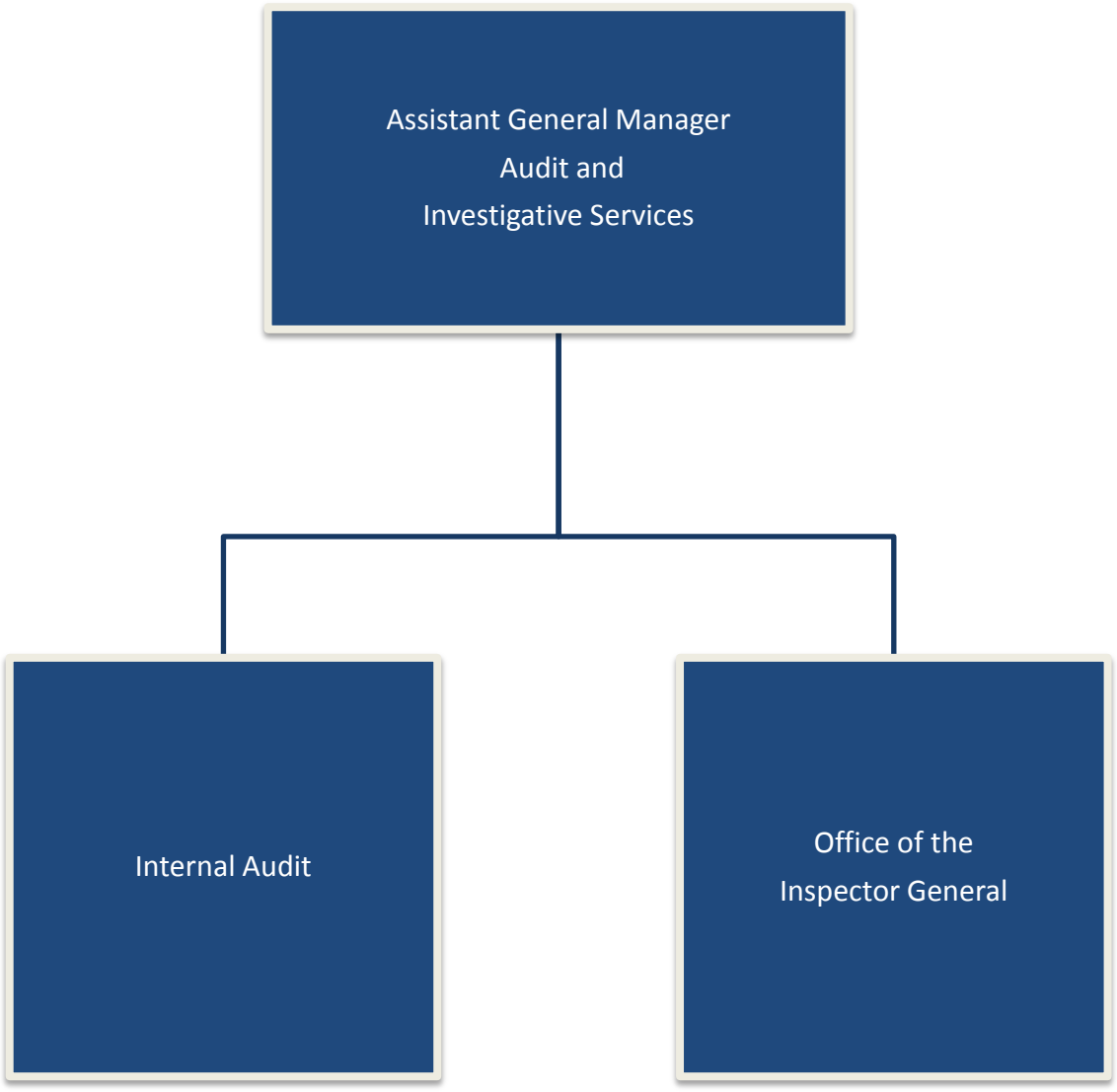
SEPTA

Audit and Investigative Services

(j) Audit and Investigative Services

Overview

The Audit and Investigative Services Division conducts audits, reviews and investigations of the Authority's operations to promote economy, efficiency and effectiveness and to detect and deter waste, fraud, abuse and mismanagement. The Division includes the Internal Audit Department and the Office of Inspector General.



(j) Audit and Investigative Services

Fiscal Year 2017 Headcount

Operating Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Internal Audit	12	-	-	-	-	12
Office of the Inspector General	4	-	4	-	-	8
Total Operating Heads	**16**	**-**	**4**	**-**	**-**	**20**

Capital Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Internal Audit	-	-	-	-	-	-
Office of the Inspector General	-	-	-	-	-	-
Total Capital Heads	**-**	**-**	**-**	**-**	**-**	**-**

Total Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Internal Audit	12	-	-	-	-	12
Office of the Inspector General	4	-	4	-	-	8
Total Heads	**16**	**-**	**4**	**-**	**-**	**20**

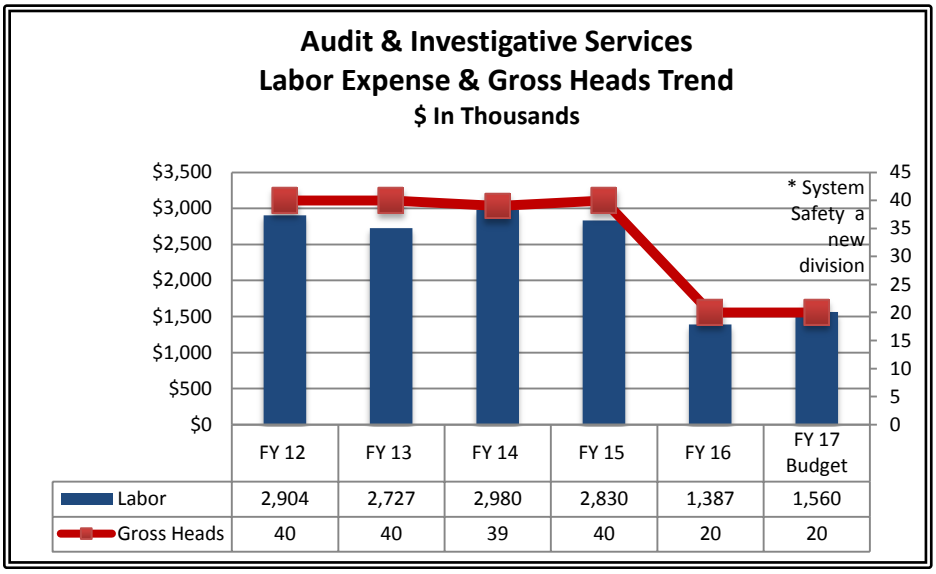
Note: Four (4) Maintenance positions are police personnel used for investigations.

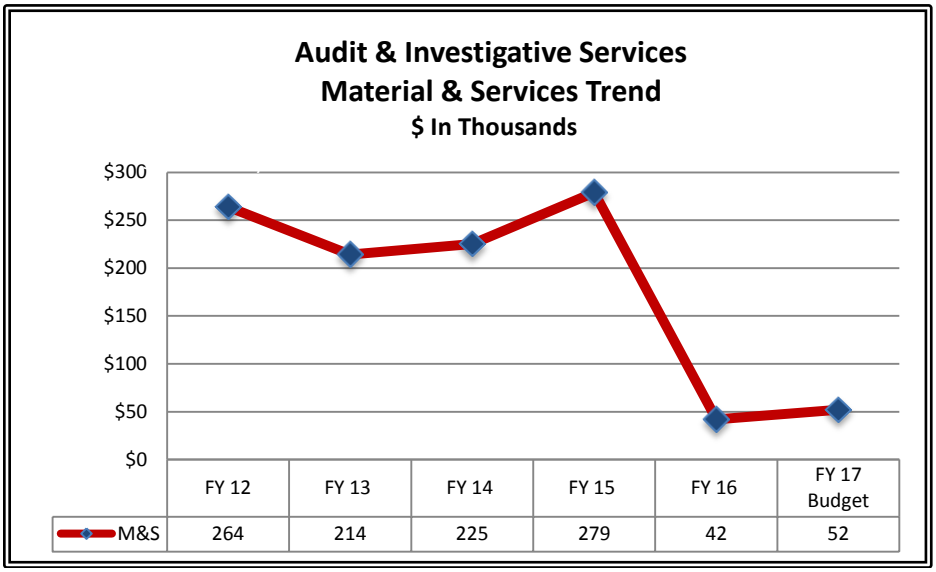
(j) Audit and Investigative Services

Fiscal Year 2017 Budget

Amounts in Thousands ('000)

	Net Labor	Material & Services	Total
Internal Audit	$ 870	$ 18	$ 888
Office of the Inspector General	690	34	724
TOTAL	**$ 1,560**	**$ 52**	**$ 1,612**





(j) Audit and Investigative Services

Principal Responsibilities

INTERNAL AUDIT
Internal Audit is an independent, objective internal review and consulting activity designed to add value and improve the organization's operations. It provides a systematic, disciplined approach to evaluate financial risk/exposure and improve the effectiveness of risk management, internal control and governance processes.

Internal Audit conducts financial, compliance and operational audits of departments within the Authority. The department is also responsible for the review of cost proposals and audits of cost reimbursement contracts and change order/claims. Additionally, Internal Audit provides a wide range of internal consulting support to departments upon request. The Department is comprised of Internal Audit, Information Technology and Contract Audit sections.

Internal Audit
Internal Audit is responsible for reviewing all areas within the Authority by performing formal audits of an entire process or independent reviews of a particular activity or account balance.

Information Technology
A specialized sub-unit of Internal Audit that is responsible for reviewing new and existing computer applications, access security and hardware. Independent data extracts and reporting support are also generated for Internal Audit and other divisions.

Contract Audit
Contract Audit is responsible for auditing or reviewing third-party cost data in accordance with Authority's policies and federal requirements. The work includes reviews of pre-contract cost proposals and audits of actual costs incurred on cost-plus-fixed-fee contracts. In addition, Contract Audit performs audits or reviews of cost documentation in support of change orders and claims.

OFFICE OF THE INSPECTOR GENERAL
The Office of the Inspector General is responsible for conducting independent investigations relating to fraud, waste, abuse and mismanagement. This is accomplished through continuous monitoring and investigations directed at specific concerns.

(j) Audit and Investigative Services

Fiscal Year 2017 Goals & Business Initiatives

	Current Goals
	I. Perform audits/investigations of those areas identified in the risk assessment plan a. Includes one audit related to a Customer Service Process
	II. Performs audits/investigations of other areas based on events that occur during the year
	III. Provide timely response to request for support services
	IV. Provide audits of third-party cost reimbursement contracts
	V. Review pre-contract cost proposals, change orders and claims upon request
	VI. Improve organizational sustainability, focused on waste minimization and recycling

Fiscal Year 2016 Major Accomplishments

Advanced the Authority governance issues in the areas of:

- Authority Policy
- Regulatory compliance
- Financial responsibility
- Employee accountability

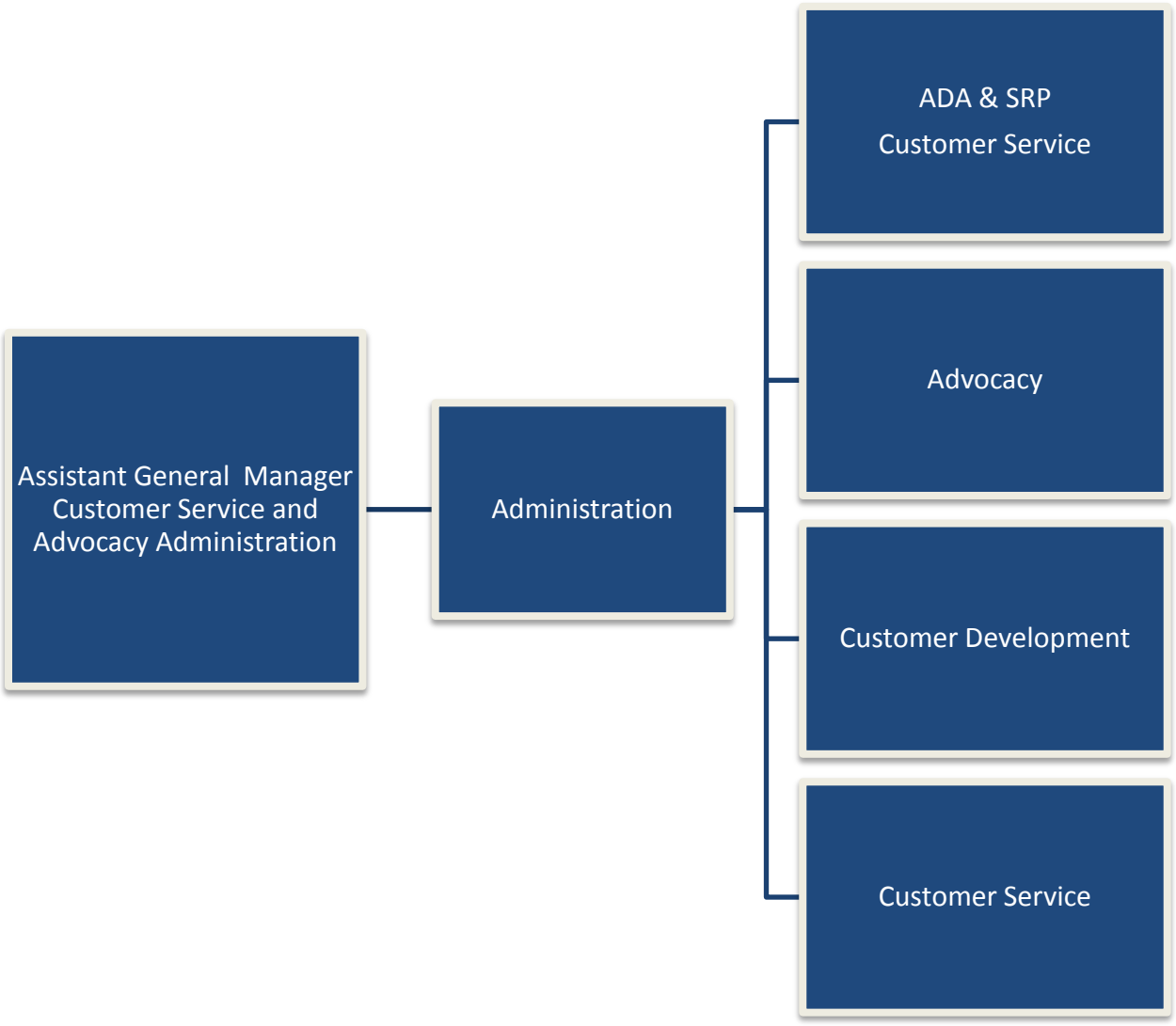


Customer Service and Advocacy

(k) Customer Service and Advocacy

Overview

The Customer Service and Advocacy Division is responsible for the development, implementation, and coordination of SEPTA customer service and customer advocacy initiatives. The Division acts as the clearing house for all customer information shared across various channels, for gathering customer intelligence, for advancing the Authority's ~~C~~ustomer-Focused" agenda and performing consumer research to help the organization ascertain customer priorities, satisfaction levels and overall loyalty.



(k) Customer Service and Advocacy

Fiscal Year 2017 Headcount

Operating Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Administration	4	-	-	-	-	4
ADA & SRP Customer Service	4	-	-	-	-	4
Customer Development	5	-	-	-	-	5
Customer Service	10	61	-	-	-	71
Total Operating Heads	**23**	**61**	**-**	**-**	**-**	**84**

Capital Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Administration	-	-	-	-	-	-
ADA & SRP Customer Service	-	-	-	-	-	-
Customer Development	-	-	-	-	-	-
Customer Service	-	-	-	-	-	-
Total Capital Heads	**-**	**-**	**-**	**-**	**-**	**-**

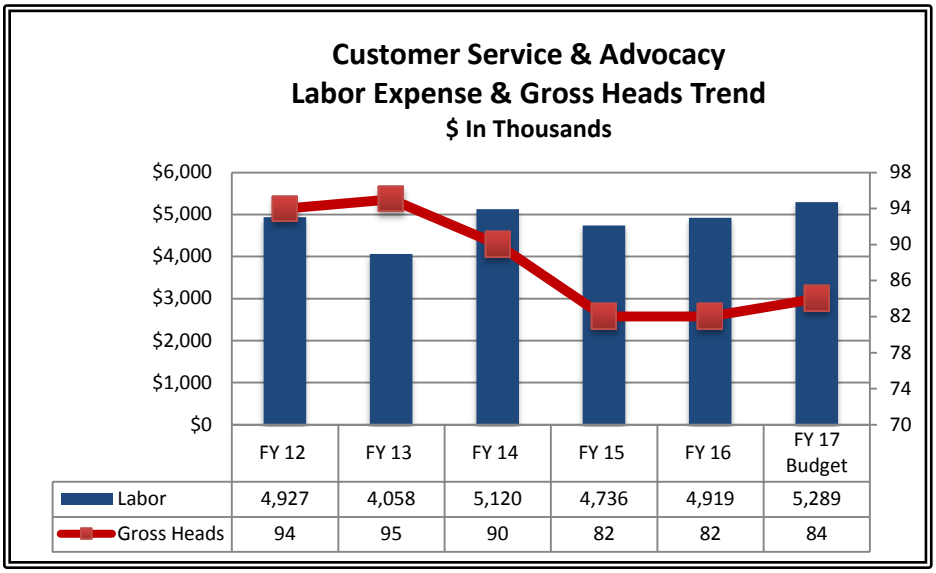
Total Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Administration	4	-	-	-	-	4
ADA & SRP Customer Service	4	-	-	-	-	4
Customer Development	5	-	-	-	-	5
Customer Service	10	61	-	-	-	71
Total Heads	**23**	**61**	**-**	**-**	**-**	**84**

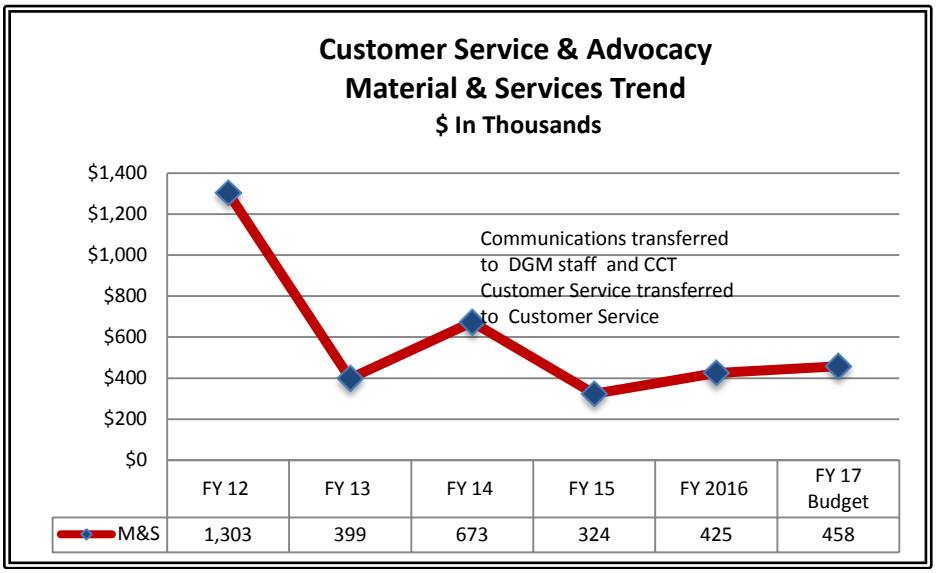
(k) Customer Service and Advocacy

Fiscal Year 2017 Budget

Amounts in Thousands (,000)

	Net Labor	Material & Services	Total
Administration	$ 339	$ 441	$ 780
Customer Development	376	-	376
Customer Service	4,265	17	4,282
ADA & SRP Customer Service	309	-	309
TOTAL	**$ 5,289**	**$ 458**	**$ 5,747**





(k) Customer Service and Advocacy

Principal Responsibilities

ADMINISTRATION
Coordinate, manage and direct the financial and administrative activities for the Customer Service and Advocacy Division.

ADVOCACY
Responsible for presenting the customer's point of view as it relates to internal programs and initiatives. Also responsible for working with external advocacy groups to support and promote SEPTA and public transit. Manage the Authority's Visitor and Hospitality Outreach Programs and Retiree Customer Service Corp.

CUSTOMER DEVELOPMENT
This group champions the SEPTA Customer Experience through interdivisional initiatives, customer outreach / engagement, the use of service quality agents to ride the system to assess performance and core standards related to courtesy, cleanliness, communications, convenience and safety. Department staff is responsible for the Building a SEPTA Customer Service Culture (BASCSC) program, the Authority Customer Service Program plan and elements such as the Station Musician program. Customer Development is responsible for coordinating the Division's role with the SEPTA Key project.

CUSTOMER SERVICE
Responsible for responding to customer issues and inquiries received via telephone, email, U.S. mail, fax and walk-ins concerning travel information, lost and found, complaints, suggestions and commendations. The department also manages the Senior Citizen Free Fare Program and the Reduced Fare Program for Persons with Disabilities.

(k) Customer Service and Advocacy

Fiscal Year 2017 Goals & Business Initiatives

Current Goals	Initiatives
I. Nourish and advance a wide array of Customer-Focused initiatives throughout the Authority	a) Provide updates on the status of the Customer Service Program to the General Manager, the GM Team and Board members b) Work with other divisions to ensure that customer service remains vital and relevant by closing out completed initiatives and introducing new ones c) Closely coordinate customer service programs with other key initiatives, such as strategic planning and the capital program d) Ensure customer-related design features in services and facilities are fully considered through formal Customer Service Division interaction
II. Develop Customer-Focused workforce	a) Provide leadership to internal culture change initiatives, such as "BASCSC", that emphasizes customer-focused decision making and innovation b) Advocate and support creation of customer-focused organizational and personal goals c) Recognize SEPTA team members that have made a significant contribution to customer satisfaction and/or loyalty d) Participation in Employee Training Programs related to SEPTA Key and culture change.
III. Employ technological advancements to improve Customer Service	a) Continue efforts to expand SEPTA's reputation as the industry leader in the provision of social customer service b) Provide enhanced "Real Time" tools to Customer Service staff to provide for accurate and timely dissemination of information c) Move from "Customer Service" to "Customer Intelligence & Analytics" by adopting new business models d) Implement innovative use of translation technology tools.

(k) Customer Service and Advocacy

Fiscal Year 2016 Major Accomplishments

- The Authority's commitment to Customer Service and "culture change" continued to be evident, with the ongoing development of the *"Building a SEPTA Culture of Service & Creativity*" (BASCSC). The program saw the addition of two new Action Teams in FY 2015. Over 75 SEPTA employees are engaged on BASCSC Action Teams with close coordination with the new Office of Innovation the number of Action Teams in FY16 was reduced to four.

- The expansion and full roll-out of SEPTA's Customer Relations Management (CRM) program, Veritas, was completed in early FY 2015. We have since begun to develop internal service tools to use the database to provide a new real time service. This service acts like a radar to detect and neutralize social media issues before they become viral. Data is also filtered to produce new daily alerts whereby routes or rail lines trending in a negative direction are flagged for immediate attention, allowing Operations staff to make corrections in a timely matter.

- Social Media growth continues at a very fast rate, with nearly 90,000 customers registered for SEPTA's Operations service alerts, 40,000 following @SEPTAPhilly, 15,000 on Facebook and nearly 17,000 on our Customer Service Twitter Site @septa_social. When combined with other social channels by other departments, SEPTA has the most extensive social media program in the transit industry and one where customer engagement is the primary objective. A new social channel, @SEPTAkey, launched in June 2016 to support the program project has quickly gathered new followers anxious to learn of SEPTA Key.

- We continue our commitment to provide transit access to all by creating programs to encourage and boost ridership among individuals who speak English as a second language (ESL) and/or who have limited English proficiency (LEP). This past year, we attended 36 community meetings and built relationships with more than 40 community groups. These meetings enabled us to develop a better understanding of what is needed to better connect our ESL/LEP customers to our services. We translated more than 30 different documents, from Operating and Capital budget information, to service changes and travel alerts, and provided the information via print and social media. We appeared on Telemondo and Univision to promote the Route 53 extension. Also, we implemented Goggle Translate in our Lobby Customer Service Office. This has enabled our staff to provide travel information in many different languages, including Spanish, French and Chinese.

- In partnership with a number of the area's hospitals, Customer Service and Advocacy coordinated an interdivisional pilot program to allow certified "Therapy Dogs" to travel on two bus routes with their handlers to visit hospital patients, often elderly or children, with terminal illnesses. The program was evaluated and a decision made to suspend it until such a time that there is a greater general interest.

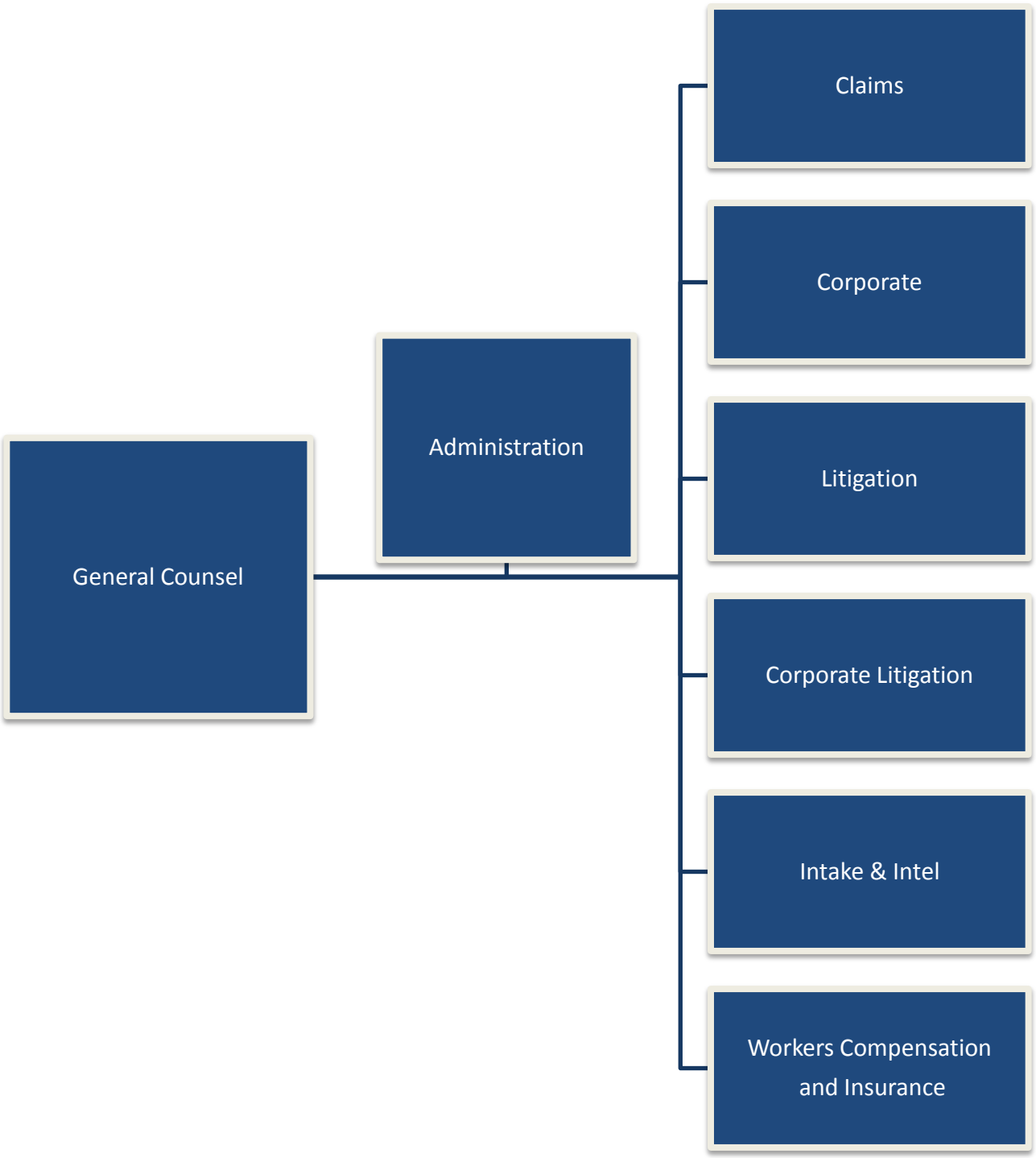


Office of General Counsel

(I) Office of General Counsel

Overview

The Office of General Counsel Division consists of the Corporate, Intake & Intel, Litigation, Corporate Litigation, Claims, Workers Compensation and Insurance Departments, all reporting to the Office of General Counsel.



Fiscal Year 2017 Headcount

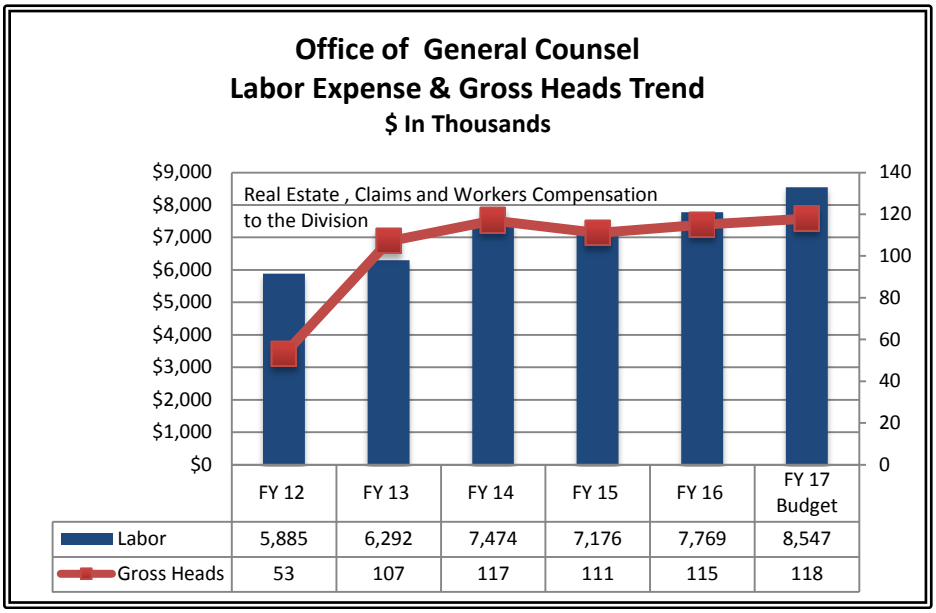
Operating Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Administration	7	-	-	-	-	7
Claims	17	13	-	-	-	30
Corporate	10	-	-	-	-	10
Litigation	29	-	-	-	-	29
Corporate Litigation	3	-	-	-	-	3
Intake & Intel	20	10	-	-	-	30
Workers Compensation & Insurance	8	1	-	-	-	9
Total Operating Heads	**94**	**24**	**-**	**-**	**-**	**118**

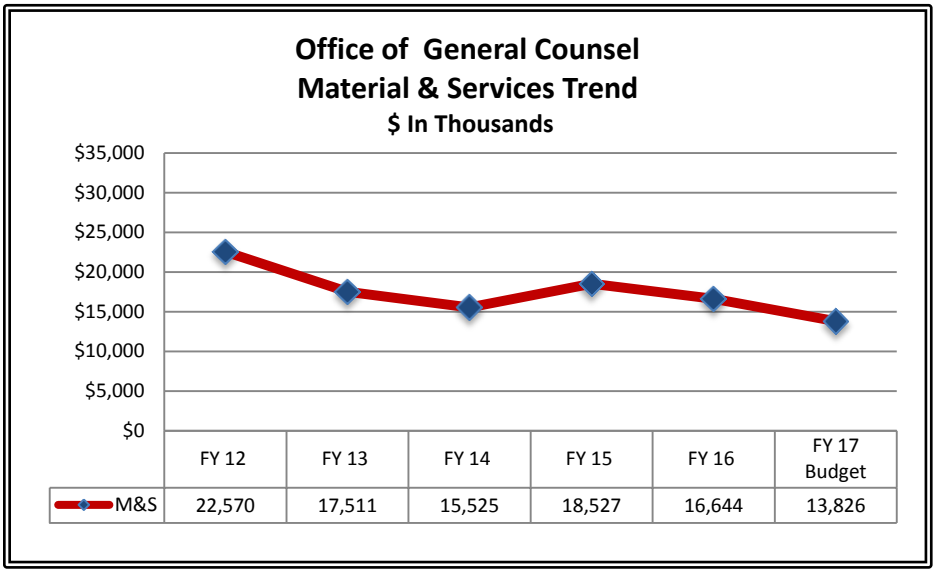
Capital Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Administration	-	-	-	-	-	-
Claims	-	-	-	-	-	-
Corporate	-	`	-	-	-	-
Litigation	-	-	-	-	-	-
Corporate Litigation	-	-	-	-	-	-
Intake & Intel	-	-	-	-	-	-
Workers Compensation & Insurance	-	-	-	-	-	-
Total Capital Heads	**-**	**-**	**-**	**-**	**-**	**-**

Total Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Administration	7	-	-	-	-	7
Claims	17	13	-	-	-	30
Corporate	10	-	-	-	-	10
Litigation	29	-	-	-	-	29
Corporate Litigation	3	-	-	-	-	3
Intake & Intel	20	10	-	-	-	30
Workers Compensation & Insurance	8	1	-	-	-	9
Total Heads	**94**	**24**	**-**	**-**	**-**	**118**

Fiscal Year 2017 Budget
Amounts in Thousands (,000)

	Net Labor	Material & Services	Total
Administration	$ 860	$ 110	$ 970
Claims	1,845	1,975	3,820
Corporate	847	2,754	3,601
Litigation	2,226	2,140	4,366
Corporate Litigation	307	2,306	2,613
Intake & Intel	1,858	1,701	3,559
Workers Compensation & Insurance	604	2,840	3,444
TOTAL	**$ 8,547**	**$ 13,826**	**$ 22,373**





Principal Responsibilities

CORPORATE DEPARTMENT
Lawyers within the Corporate Department negotiate and draft legal contracts and other documents that support and promote the activities of client departments. Counsel advise management on matters that have legal implications, assist other departments in drafting documents that have legal-related elements, and work with outside attorneys handling matters involving specialty areas of the law. The Corporate Department is involved in all transactional legal matters such as those related to procurements, construction, technology contracts, real estate, environmental law, energy, sustainability, railroads and property use. The Business Operations Unit within this Department is responsible for the administrative and business functions that support the Office of General Counsel (OGC), such as staffing and employment management, training, budget development, administering legal services contracts, and managing office equipment and supplies.

INTAKE & INTEL DEPARTMENT
This Department is responsible for performing intake functions for all matters, claims and requests that come into the Office of General Counsel; seeking and compiling all information, data and records needed to handle all OGC matters; and all of the functions associated with carrying-out the Authority's video surveillance program. The video program includes planning, collecting, reviewing, preserving, storing and producing data from video cameras on SEPTA vehicles and in stations. Staff within this Department also respond to and handle requests for, notification of and production of witnesses for court matters.

LITIGATION DEPARTMENT
Lawyers in the Litigation Department are responsible for the legal representation of SEPTA (both with in-house attorneys and by managing outside counsel) in the defense of and prosecution of civil actions, with the majority of cases involving personal injury and property damage.

CORPORATE LITIGATION DEPARTMENT
Lawyers within the Corporate Litigation Department represent SEPTA in civil actions that are other than personal injury and property damage. Corporate litigation actions include, labor and employment matters, civil rights cases, contracts and construction suits, and trademark registration and infringements. This Department also provides legal counsel to management on employment matters and statutes (including Title VI, ADA/AA, ADEA, FMLA, FLSA and USERRA) and employment concerns before state and federal administrative agencies. Additionally, staff within this Department handle the intake, response and appeal of requests for Authority records submitted under the Pennsylvania Right-to-Know Law, third party subpoena requests for records and litigation holds.

CLAIMS DEPARTMENT

Claims Department staff is responsible for the handling of personal injury and property damage claims. Many claims are handled in tandem with attorneys in the Litigation Department, from first notice of the claim through its final resolution. Claim handling involves: thorough and detailed examination of evidence, a determination of liability and assessment of potential damages. The existence of pertinent video provides a key piece of beneficial evidence, one which often provides a dispositive defense to a claim. If the Authority is liable to an individual for injuries or property damage, then staff will attempt to settle the claim in an equitable and prudent manner. For claims where the Authority either is not liable or is not able to obtain a just settlement, the case is defended in court by the attorneys of the Litigation Department.

WORKERS" COMPENSATION & INSURANCE

The Workers' Compensation and Insurance Department manages SEPTA's programs to compensate injured employees who have claims under the Commonwealth's workers' compensation laws or under the Federal Employers Liability Act (FELA). Department staff oversee a third party administrator of workers' compensation claims, handling medical and indemnity management, coordinating internal vocational rehabilitation and managing all alternative and transitional duty programs. Staff also administers supplemental benefits as prescribed by labor contracts. FELA Unit staff manage, monitor, settle and oversee litigation of claims of injured railroad workers. The Insurance Unit staff helps to manage the Authority's exposure to risk under transactional situations, through the application of risk management tools such as insurance programs, self-insurance administration, performance bonds and letters of credit.

(I) Office of General Counsel

Fiscal Year 2017 Goals & Business Initiatives

	Current Goals and Initiatives
I.	Continue the incorporation of the long-range staffing development and succession plan in the functioning of the OGC, in order to optimize staffing resources, to empower managers, to encourage independent work efforts and appropriate decision making, and to foster employee talent and skills in preparation for the future.
II.	Continue to reduce the number of claims initiated against SEPTA and the amount of payouts made for claims and lawsuits.
III.	Employ metrics and production of regular reporting in the management and development of staff trial attorneys' handling of cases and written work products.
IV.	Continue to identify and employ tactics to expeditiously evaluate, establish reserves for and facilitate early resolution for claims that should be settled, and to establish and prepare early defenses for cases that should be tried.
V.	Provide legal support for the Building the Future capital program, as well as other programs in SEPTA, through the timely drafting and establishment of protective transactional agreements that guide SEPTA's relationships with others.
VI.	Identify and implement organizational tactics and management practices to increase the efficiency of corporate transactional work efforts and to improve the handling and oversight of administrative activities that are needed as part of the OGC's interactions with the other staff departments of the Authority.
VII.	Continue to strengthen our legal defense position through the use of video data and expand mobile camera installations to complete all fleets, as well as implementing the Inward Facing Camera program. Total camera count will be brought to more than 23,000 cameras on vehicles and in stations.
VIII.	Perform a cost-benefit analysis to determine whether a third shift should be added for obtaining, reviewing and assessing video data under the video program.
IX.	Evaluate, select and implement use of third party administrators for Workers' Compensation, the Federal Employer's Liability Act Program and Primary Insurance Payment Claims Program. Monitor the programs with routine reporting.
X.	Manage, monitor and optimize the Owner Controlled Insurance Program for capital projects and of the Risk Management Advisory Committee for risk management efforts for the Authority.
XI.	Continue to reduce the number of employment and civil rights claims initiated against SEPTA and minimize legal exposure through ongoing counseling and education of management with respect to specific issues and their role in the workplace.

Fiscal Year 2016 Major Accomplishments

- Developed a staffing resource plan that reflects an evaluative determination of the types and numbers of the various job titles based on anticipated workloads, that rationally allocates and delineates duties and responsibilities among job positions, that allows for enhanced approaches to claims and lawsuit management, and that fosters sound and informed decision-making.
- Continued the last four years' downward trends in the number of claims initiated and in the total amount of payouts for claims and lawsuits, with payouts for the FY2013-2015 period being 28% less than the FY2010-2012 period.
- Improved the effectiveness, efficiency and management of the handling of legal matters with institutionalization of professional best practices and the introduction of new technological tools, including new case management software.
- Implemented an Owner Controlled Insurance Program for projects under the Building the Future capital program. This program has already allowed SEPTA to realize significant savings on insurance premiums and reductions in project costs.
- Negotiated, drafted and executed more than 250 agreements in support of SEPTA's efforts and accomplishments under its capital program, railroad operations and coordination with Amtrak, cutting-edge sustainability projects, community partnership events, the World Meeting of Families event in Philadelphia, and the day-to-day functioning of a quality transportation agency.
- Installed and began use of an additional 1,546 cameras on SEPTA vehicles, bringing the on-vehicle total to 18,071 cameras on 2,113 vehicles. SEPTA's video program is the largest in the nation with a total of 19,668 cameras on vehicles and in stations.
- Developed and tested a new Vehicle Video System Database that will allow for more efficient storage, registration, and reporting on video data and will facilitate evidentiary retrieval of video. The system, which will be fully implemented in FY2017, will also eliminate the need to use DVDs for storage, thereby providing significant cost savings.
- Initiated the retrofitting of the Silverliner rail car fleet with Inward Facing Cameras for observation of the engineer/cab compartment of each car, as a safety enhancement.
- Presented a seminar to SEPTA managers to reaffirm and strengthen their knowledge of the roles and requirements regarding interactions of managers and subordinates with regard to equal opportunity, civil rights and other employment law issues in the workplace.
- Resolved successfully: 21 employee civil rights cases through dismissal by motion in federal court, 4 employment cases tried to defense verdicts and 12 employment matters settled for fair and favorable amounts.
- Responded to approximately 3,000 requests for information under the Right-to-Know Law and collected approximately $10,000 in production fees assessed under the law.



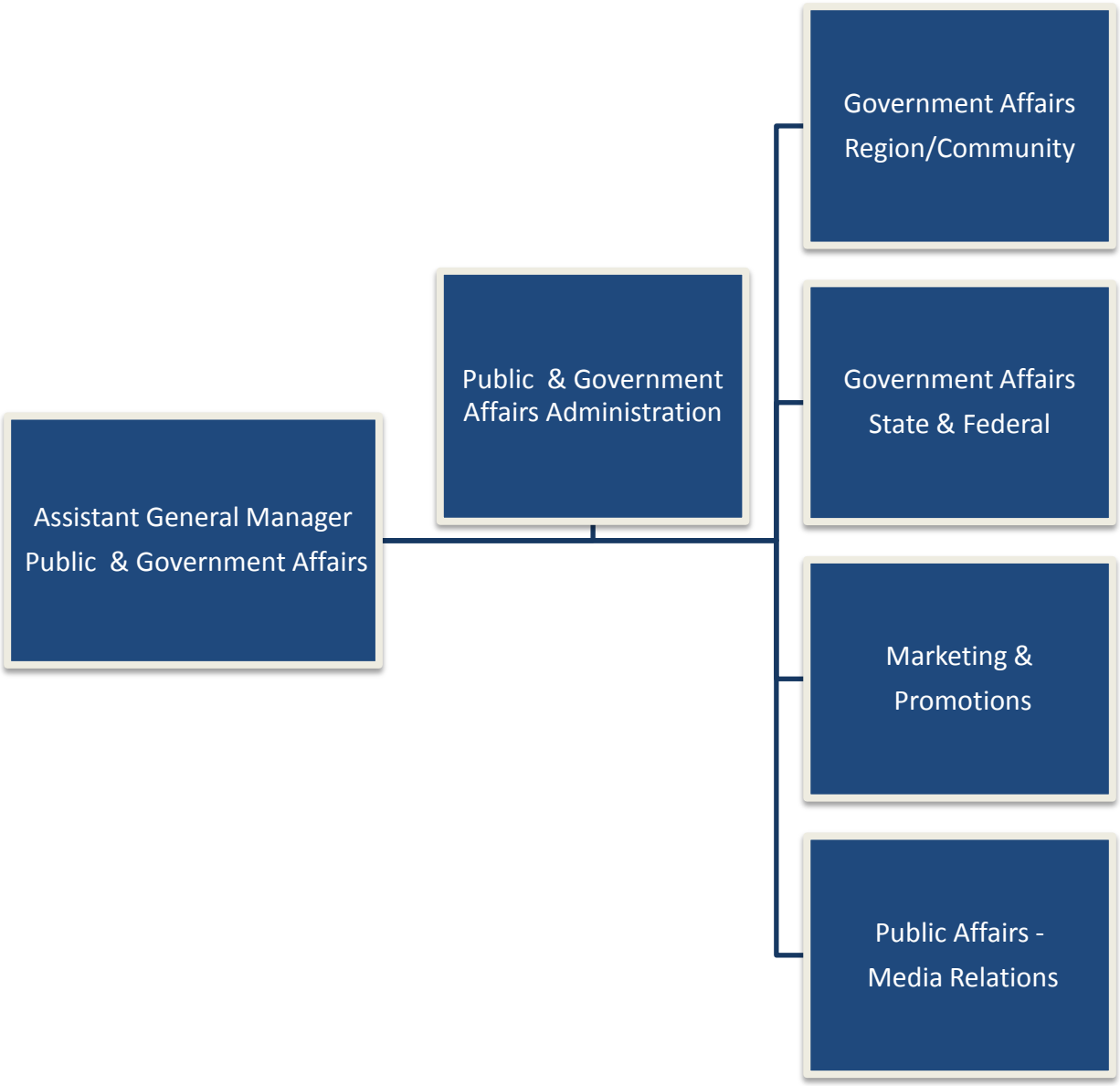
SEPTA

Public and Government Affairs

(m) Public and Government Affairs

Overview

The Public and Government Affairs Division – comprising Government Affairs, Media Relations and Marketing – is responsible for communicating the Authority's official position on key issues, enhancing public perception, and developing campaigns that promote transit awareness and ridership growth. The Division builds and maintains strong working relationships with federal, state and local elected officials, members of the media and transit stakeholders to ensure SEPTA's priorities and message effectively reach lawmakers and the public.



(m) Public and Government Affairs

Fiscal Year 2017 Headcount

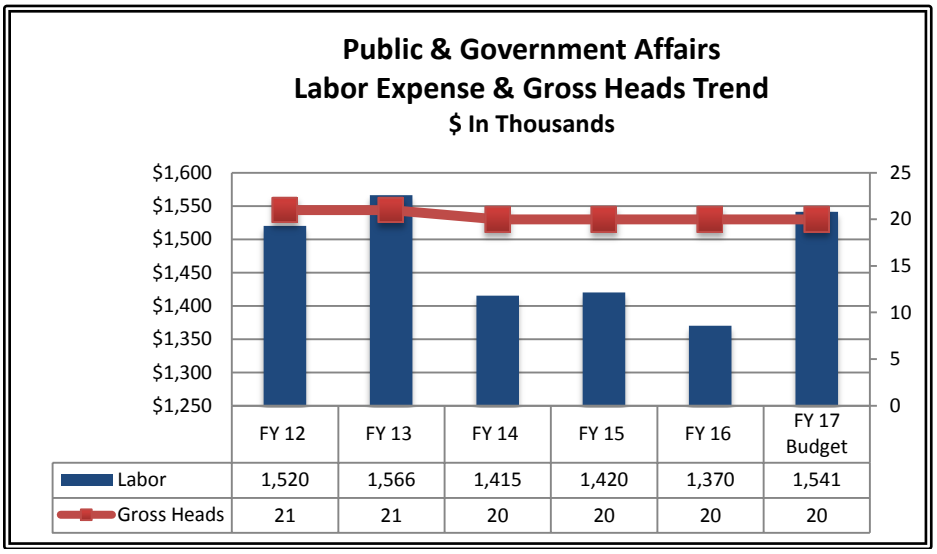
Operating Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Administration	2	-	-	-	-	2
Government Affairs	4	-	-	-	-	4
Government Affairs - State & Federal	4	-	-	-	-	4
Marketing & Promotions	5	-	-	-	-	5
Public Affairs - Media Relations	5	-	-	-	-	5
Total Operating Heads	**20**	**-**	**-**	**-**	**-**	**20**

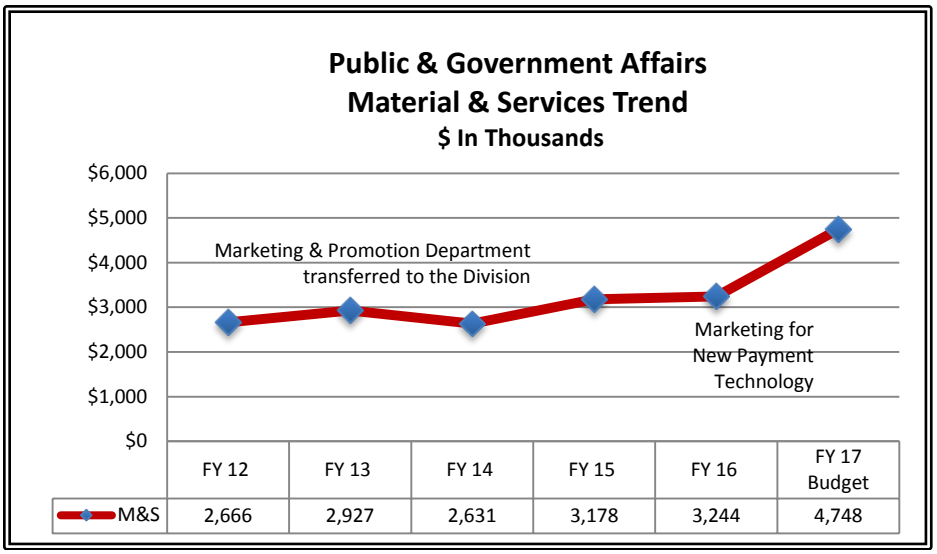
Capital Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Administration	-	-	-	-	-	-
Government Affairs	-	-	-	-	-	-
Government Affairs - State & Federal	-	`	-	-	-	-
Marketing & Promotions	-	-	-	-	-	-
Public Affairs - Media Relations	-	-	-	-	-	-
Total Capital Heads	**-**	**-**	**-**	**-**	**-**	**-**

Total Heads	SAM	IBT	Maint.	Transp.	Cashiers	Total
Administration	2	-	-	-	-	2
Government Affairs	4	-	-	-	-	4
Government Affairs - State & Federal	4	-	-	-	-	4
Marketing & Promotions	5	-	-	-	-	5
Public Affairs - Media Relations	5	-	-	-	-	5
Total Heads	**20**	**-**	**-**	**-**	**-**	**20**

Fiscal Year 2017 Budget
Amounts in Thousands (,000)

	Net Labor	Material & Services	Total
Administration	$ 531	$ 872	$ 1,403
Government Affairs	542	20	562
Marketing and Promotion	167	3,849	4,016
Public Affairs - Media Relations	301	7	308
TOTAL	**$ 1,541**	**$ 4,748**	**$ 6,289**





Principal Responsibilities

MEDIA RELATIONS

The Media Relations Department is responsible for communicating SEPTA's official position and statements on all key Authority topics and working with consumer and trade media to present a consistent public corporate image. Develops and distributes news releases, directs emergency response communications and generates information and advocacy materials across a variety of media and platforms. This department also manages and oversees other corporate and external outreach such as coordinating with the Philadelphia Film Office for filming on SEPTA property.

GOVERNMENT AFFAIRS – STATE, FEDERAL AND REGION / COMMUNITY

State
Build and maintain effective relationships with members of the Pennsylvania General Assembly from the five county region, legislative leaders and members of relevant Committees, the Governor's administration and appropriate state departments. Review and analyze all legislation and work with senior management to assess and address impacts on SEPTA. Serve as the Authority's point of contact for legislative and constituent inquiries. Serve as board member and liaison with the Pennsylvania Public Transportation Association (PPTA).

Federal
Work with the region's Congressional Delegation and SEPTA's legislative consultants to ensure SEPTA's interests are represented in the federal legislative process. Areas of focus include but are not limited to transportation authorization and annual appropriations, as well as safety, environmental and disabilities law and regulations. Serve as SEPTA's liaison between federal agencies and represent SEPTA on American Public Transportation Association (APTA) committees.

Region / Community
Community Relations staff work closely with local elected officials to advance transit related initiatives and capital projects. Provide proactive outreach before and during SEPTA projects and are responsible for responding to issues impacting communities throughout the region. Other activities include attending city, county and municipal meetings to update the public on SEPTA projects.

MARKETING AND ADVERTISING

The Marketing and Advertising Department uses innovative and attention-grabbing promotional campaigns to build awareness about SEPTA service, interact with current and potential customers and build and maintain ridership across all modes and in all counties. Effectively markets SEPTA by utilizing offline and online media, event marketing, loyalty programs, industry-leading social media engagement and strategic partnerships with area sports teams, businesses and cultural institutions. Executes contracts and coordinates activities of third-party agencies to maximize the effectiveness of the Authority's promotional and marketing portfolio.

(m) Public and Government Affairs

Fiscal Year 2017 Goals & Business Initiatives

Current Goals	Initiatives
I. Continue to advocate for SEPTA's funding and policy priorities in Congress and the Pennsylvania General Assembly	a) Ensure that ACT 89 and the FAST Act are successfully implemented and that SEPTA is an active participant in the post-passage regulatory and rulemaking process b) Continue to work with APTA, MRDG, PPTA and other stakeholders to promote the economic impact of transit in large metro regions and highlight the need to bring systems to a state of good repair
II. Demonstrate the impact and importance of public infrastructure investment – Act 89 and the FAST Act – by highlighting the success of SEPTA's "Building the Future" Capital program.	a) Work with regional elected officials to hold groundbreakings, ribbon cuttings and community updates to celebrate system improvements and economic impact generated by infrastructure investment in communities throughout southeastern Pennsylvania and the Commonwealth
III. Develop proactive approach to media relations	a) Create a regularly reoccurring cycle of events and outreach opportunities for media coverage b) Provide outreach to community groups and general public
IV. Promote regional awareness of SEPTA's progress	a) Communicate and promote the rider benefits of SEPTA's Key Card b) Facilitate meaningful partnerships that support the Authority's mission (s) and overall brand

(m) Public and Government Affairs

Fiscal Year 2016 Major Accomplishments

- The Public and Government Affairs Division continued to focus on enhancing the public's perception of the Authority with the goal of growing ridership, reinforcing SEPTA's essential role in the regional economy and supporting the Authority's customer service, innovation, integration and renewal initiatives by sharing SEPTA's accomplishments.

- The Division held numerous public events with elected officials and community partners, highlighting SEPTA's efficient use of state and federal funding and the tremendous success of SEPTA's –Building the Future" capital program made possible by Act 89 (2013). Also, working with labor, businesses and other stakeholders, the Division helped organize one of the nation's largest and most prominent Stand Up for Transportation rallies in April, 2015.

- SEPTA led the Metropolitan Rail Discussion Group (MRDG) in commissioning a study –The Need for Greater Federal Investment in Metropolitan Rail", which assessed the state of good repair needs and the economic benefit generated by the nation's large urban transit systems.

- The Government Affairs department worked closely with APTA, MRDG, PPTA, KTFC and other partners to advance transit and SEPTA priorities during Congress' work on surface transportation authorization. The resulting FAST Act provides dedicated, increased funding for public transportation and is the first multi-year authorization passed since 2005.

- Strong relationships with print, radio, television and web-based media allowed SEPTA's Public Affairs Department to credibly inform the general and riding public. Social media growth, increased use of video and the introduction of new communication platforms enabled the Division to –tell our story" in an effective and compelling way. Transparency and accessibility continued to guide the department's efforts to advance SEPTA's most important public initiatives such as the – SEPTA Key, World Meeting of Families and Papal Visit, Building the Future and the 2016 Democratic National Convention.

- With an annual goal of increasing ridership by 1.5%, SEPTA's Marketing Department continues to promote ridership through a variety of innovative partnerships and programs. The team manages ISEPTAPHILLY.COM brand, which includes how-to ride information, local happenings, an interactive blog and contests. The team also manages the Authority's loyalty program, SEPTA Pass Perks, which can also be found on ISEPTAPHILLY.COM. Notable consumer campaigns from FY15 and FY16 also include Late Night Service on the Broad Street and Market-Frankford Lines, the Airport Line's 30th Anniversary, the Route 23/Route 45 Split and SEPTA Pass Perks.

(m) Public and Government Affairs

- Marketing staff cultivates strategic partnerships with dozens of organizations, including the Clean Air Council, WXPN-FM, Philadelphia Eagles, Campus Philly, Philadelphia Phillies, TreePhilly, Pennsylvania Horticultural Society, Center City District, Philadelphia Union, Trenton Thunder, Philly Beer Week, Wilmington Blue Rocks, Franklin Institute, West Philly Runners and the Philadelphia Zoo. The Department works with a wide variety of media outlets including KYW-AM, Philadelphia Business Journal, WHYY-FM, Philadelphia Magazine, Philadelphia Tribune, Arrive Magazine, Philadelphia Public Record and Philadelphia Metro.

- The Marketing Department represents SEPTA at numerous events including the Run for Clean Air, Philadelphia Science Festival, Broad Street Run Expo, Philly Beer Week, Greenfest, Park(ing) Day, Harry Potter Festival and Collegefest. The department is responsible for coordinating Santa Express which celebrated its 25th year in 2015, and with our partners executed new events including Race the Bus and Date While You Wait.

13. Fringe Benefits

Fringe Benefits are a major expense for SEPTA representing 27.9% of the Fiscal Year 2017 Operating Budget of $1.41 billion. Responsibility for management of fringe benefit costs rests with all Authority departments, however, Finance and Human Resources take the lead in cost control. Authority expenditures for Fringe Benefits are largely controlled by statutory and contractual obligations and have been significantly influenced by national trends.

Listed below are the various Fringe Benefit categories:

Medical and Life Insurance
SEPTA provides medical, prescription drug, dental, vision and life insurance benefits for union, management employees and retirees in accordance with SEPTA policy and labor agreements negotiated with each respective union.

Payroll Taxes
This represents the required employer contribution for Social Security (FICA) and Railroad Retirement Taxes (RRT).

Unemployment
SEPTA is required to pay into the State and Railroad unemployment compensation funds and is self-insured for non-railroad employees.

Pension
This includes pension obligations, excluding Railroad employees who are covered by the Railroad Retirement System.

Workers"Compensation and FELA
Obligations to transit and railroad employees injured on duty for their medical bills and lost wages.

Fiscal Year 2017 Operating Budget
Fringe Benefit Expense
(Amounts in Thousands)

Medical, Prescription, Dental, Vision & Life	$	227,039
Payroll and Unemployment Taxes		71,001
Pension		98,370
Workers' Compensation and FELA		33,200
Subtotal	$	429,610
Capital Support and Projects		(37,186)
Fringe Benefit Expense	**$**	**392,424**

Fiscal Year 2017 Operating Budget
Labor and Fringe Benefits
Amounts in Thousands (000's)

	Net Labor	Net Fringe Benefits	Total
Corporate Staff	$ 2,236	$ 1,409	$ 3,645
Deputy General Manager Staff	1,402	884	2,286
Office of Innovation	397	250	647
Audit and Investigative Services	1,560	983	2,543
Communications	1,282	808	2,090
Customer Service and Advocacy	5,289	3,334	8,623
Engineering, Maintenance and Construction	76,063	47,943	124,006
Finance and Planning	11,341	7,148	18,489
Human Resources	12,977	8,179	21,156
Information Technology	5,781	3,644	9,425
Labor Relations	1,114	702	1,816
Office of General Counsel	8,547	5,387	13,934
Operations	489,768	308,704	798,472
Planning, Project Coordination & Safety	108	68	176
Procurement, Supply Chain & DBE	9,730	6,133	15,863
Public and Government Affairs	1,541	971	2,512
System Safety	1,948	1,228	3,176
Other	(8,492)	(5,351)	(13,843)
Total	**$ 622,592**	**$ 392,424**	**$ 1,015,016**

13. Non-Departmental Expense

Amtrak

The expense is for the maintenance and use of Amtrak-owned track and facilities on the Northeast Corridor (between Trenton, NJ and Newark, DE) and the Harrisburg Line (Paoli/Thorndale Line). The Passenger Rail Investment & Improvement Act of 2008 (PRIIA) was implemented October 1, 2015. The budget reflects PRIIA mandates and cost assumptions developed by the Northeast Corridor Commission with input from SEPTA and other commuter agencies on the corridor.

ADA

The contract cost to SEPTA is shown here. The staff cost for the administration of ADA complementary service and other accessibility programs for the disabled is included in the Operations Division under Customized Community Transportation.

Shared Ride Program

The cost for contractor door-to-door service for senior citizens. The cost of administrative staff in the Shared Ride program is included in the Customized Community Transportation budget.

Debt Service Interest and Fees

Interest expenses and amortization of insurance premiums associated with the Authority's bonds.

Property Insurance/Other Claims Payouts, Net

Reflects the projected premiums for insurance on various Authority assets, as well as other claims payouts net of recoveries.

Services for 1234 Market Street

Maintenance and administrative service expense for the operation of the offices at the 1234 Market Street headquarters by a professional real estate management firm. These expenses cover both SEPTA and tenant-occupied space.

Snow Removal/ Severe Weather Contingencies

Snow removal and salting at Regional Rail parking lots and station platforms only. Snow removal for all other facilities is accomplished in-house by SEPTA forces and the related labor expense is included in the departmental budgets.

Utilities

Expense reflects the cost of non-propulsion electricity, heating oil, water and sewer, natural gas and steam heat. All are based on projected rates of consumption and contractual or tariff based rates. Also included are expenses for telephone and trash removal, which are based on our current contractual agreements.

CCT Connect - ADA Program

In compliance with the Americans with Disabilities Act, CCT Connect provides ADA complementary Paratransit transportation for persons who cannot use or access regular SEPTA fixed route service. Throughout SEPTA's five-county service area, private carriers are under contract with SEPTA to provide door-to-door transportation to disabled riders by advanced reservation. Projected Fiscal Year 2017 ridership is 750,000 for ADA City Division and 325,000 for the Suburban Division.

One of the main focuses of CCT Connect's efforts for Fiscal Year 2017 will be the continuation of providing 100% next day rides to ADA program patrons. SEPTA is committed to maintaining a ~~"~~zero trip denial" policy.

The next-day trip initiative will build upon proactive steps taken during recent years. The entire SEPTA-owned fleet of 457 vehicles is maintained to SEPTA's standards by the contract carriers. In addition, the Philadelphia trip reservation, scheduling and dispatch was centralized under SEPTA supervision along with driver training and testing. Other programs were instituted to enhance contractor accountability and customer satisfaction, including patron service monitoring and mobile data terminal (MDT) swipe card readers on all CCT Connect vehicles.

ADA Program initiatives continuing during Fiscal Year 2017 include the fleet replacement program for optimizing fleet reliability and an enhanced patron eligibility certification. This process will enable those CCT riders who are able to use fixed route service for some or all of their travel. The training was developed in cooperation with the SEPTA Advisory Committee (SAC) and the disabled community.

Shared Ride Program

The Shared Ride Program (SRP) provides shared, advance-reservation, door-to-door transportation for Pennsylvanians age 65 and older. SEPTA's CCT Connect Department is the SRP county coordinator for Philadelphia County. The Pennsylvania Lottery Fund reimburses SEPTA for 85% of the cost of each eligible CCT Connect Shared Ride Program trip according to pre-established rates, with the balance coming from patron fares and/or third party agency sponsors. The Shared Ride Program's goal for Fiscal Year 2017 is to provide a total of 740,000 senior trips.

The Philadelphia Shared Ride Program Advisory Council (SRPAC), an independent advisory group, provides advice and information to SEPTA on Shared Ride Program service.

13. Other Operating Expenses

Injury and Damage Claims

Fiscal Year 2017 claims expense is budgeted at $28.7 million. Staff from the Authority's Office of General Counsel, in cooperation with various outside agencies, including the City of Philadelphia and Suburban Counties District Attorney's offices, aggressively defend against fraudulent claims.

Other Expenses

The Other Expenses category includes propulsion power, fuel, vehicle and facility rentals and depreciation. A further description of these items can be found in the Operating Expense Section.



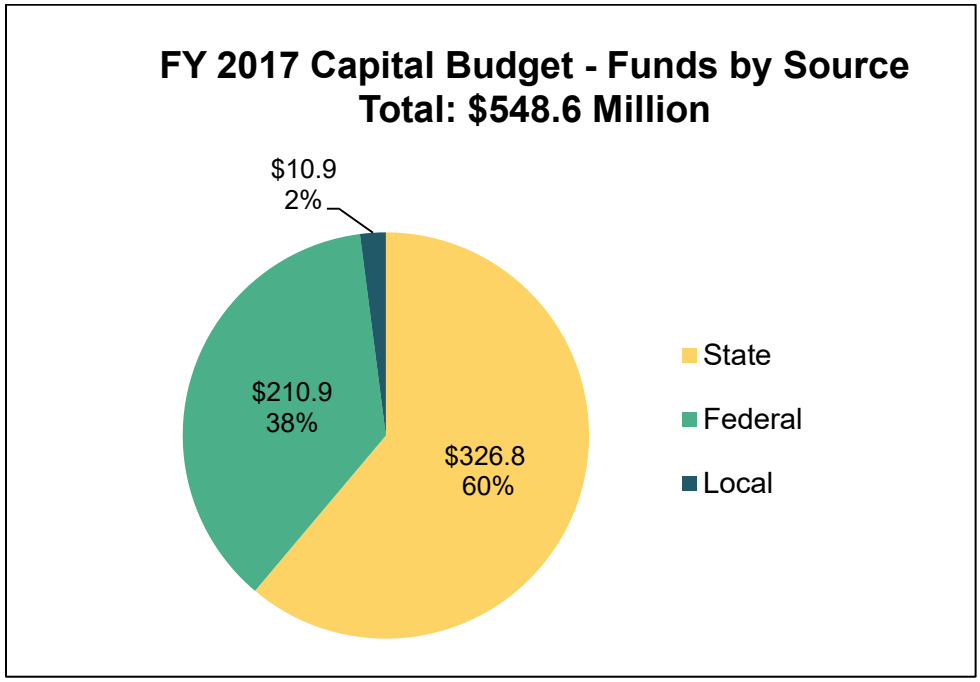
SEPTA

Summary of Capital Improvement Program

Capital Sources of Funds

Sources of capital funds included in the FY 2017 Capital Budget are projected as follows:

- **$326.8 million** in state capital funds, primarily via Section 1514, the Asset Improvement Program
- **$191.3 million** from the Federal Transit Administration via the Section 5307, 5340, 5337 and 5339 formula programs
- **$17.1 million** in Federal Highway Flexible Funds, based on SEPTA's anticipated share of the regional flexible funds that are flexed to transit operators
- **$2.5 million** from the U.S. Department of Homeland Security based on SEPTA's anticipated share of Fiscal Year 2017 Transit Security Grant Program funds; and
- **$10.9 million** in local matching funds from the City of Philadelphia and Bucks, Chester, Delaware, and Montgomery Counties. Local matching funds are required for federal and state capital grants.



Fiscal Year 2017 Capital Budget (In Millions)

Capital Programs	FY 2017
Bridge Improvements	$ 33.00
Communications, Signal Systems and Technology Improvements	18.00
Infrastructure Safety Renewal Program	43.50
Maintenance/Transportation Shops and Offices	22.49
Safety & Security Improvements	16.50
SEPTA Key	77.15
Service Restorations	1.40
Stations, Loops and Parking Improvements	43.80
Substations and Power Improvements	21.27
Track and Right-of-Way Improvements	3.79
Vehicle Acquisitions and Overhauls	168.00
Subtotal Capital Programs	**$ 448.90**
Financial Obligations	
Capital Leases	48.02
Debt Service	51.71
Total Capital Budget	**$ 548.63**

Fiscal Year 2018-2021 Capital Program (In Millions)

Capital Programs	FY 2018	FY 2019	FY 2020	FY 2021
Bridge Improvements	$ 40.20	$ 18.60	$ 15.50	$ 15.80
Communications, Signal Systems and Technology Improvements	30.54	27.00	27.00	25.50
Infrastructure Safety and Renewal Program	44.50	45.50	46.50	47.50
Maintenance/Transportation Shops and Offices	42.93	56.45	61.52	34.35
Safety & Security Improvements	17.39	18.09	17.51	14.91
SEPTA Key	68.76	52.00	-	-
Service Restorations	36.99	36.00	47.02	16.54
Stations, Loops and Parking Improvements	86.12	69.65	77.68	56.94
Substations and Power Improvements	32.35	29.83	35.10	35.32
Track and Right-of-Way Improvements	4.14	4.20	4.70	4.60
Vehicle Acquisitions and Overhauls	227.35	221.63	206.23	234.28
Subtotal Capital Programs	**$ 631.27**	**$ 578.95**	**$ 538.76**	**$ 485.74**
Financial Obligations				
Capital Leases	49.45	54.30	55.34	56.45
Debt Service and Capital Leases	51.62	53.58	47.30	49.21
Subtotal Financial Obligations	**$ 101.07**	**$ 107.88**	**$ 102.64**	**$ 105.66**
Total Capital Budget	**$ 732.34**	**$ 686.83**	**$ 641.40**	**$ 591.40**

14. Capital Improvement Program

FY 2017 CAPITAL BUDGET AND FY 2017-2028 CAPITAL PROGRAM

Capital Programs / Financial Obligations	Prior Funding	Budget Year FY 17	Program Years FY 18	FY 19	FY 20	FY 21	FY 2022-2028	12-Year Program Total	Beyond FY 2028	Total Budget
	$Millions									
Capital Programs										
Bridge Program	$43.06	$33.00	$40.20	$18.60	$15.50	$15.80	$109.99	$233.09	$25.71	$301.86
Communications, Signal Systems and Technology Improvements	$24.31	$18.00	$30.54	$27.00	$27.00	$25.50	$143.68	$271.72	$34.20	$330.23
Infrastructure Safety Renewal Program	$0.00	$43.50	$44.50	$45.50	$46.50	$47.50	$360.50	$588.00	$0.00	$588.00
Maintenance/Transportation Shops and Offices	$23.03	$22.49	$42.93	$56.45	$61.52	$34.35	$151.98	$369.72	$19.21	$411.96
Safety and Security Improvements	$6.83	$16.50	$17.39	$18.09	$17.51	$14.91	$51.58	$135.98	$0.00	$142.81
SEPTA Key	$69.99	$77.15	$68.76	$52.00	$0.00	$0.00	$0.00	$197.91	$0.00	$267.90
Service Restorations	$12.65	$1.40	$36.99	$36.00	$47.02	$16.54	$0.00	$137.95	$0.00	$150.60
Stations, Loops and Parking Improvements	$184.04	$43.80	$86.12	$69.65	$77.68	$56.94	$337.61	$671.80	$234.89	$1,090.73
Substations and Power Improvements	$32.10	$21.27	$32.35	$29.83	$35.10	$35.32	$166.37	$320.24	$67.48	$419.82
Track and Right-of-Way Improvements	$9.85	$3.79	$4.14	$4.20	$4.70	$4.60	$33.41	$54.84	$41.75	$106.44
Vehicle Acquisitions and Overhauls	$88.90	$168.00	$227.35	$221.63	$206.23	$234.28	$2,013.77	$3,071.26	$977.82	$4,137.98
Subtotal Capital Programs	**$494.76**	**$448.90**	**$631.27**	**$578.95**	**$538.76**	**$485.74**	**$3,368.89**	**$6,052.51**	**$1,401.06**	**$7,948.33**
Financial Obligations										
Capital Leases	$0.00	$48.02	$49.45	$54.30	$55.34	$56.45	$428.25	$691.81	$0.00	$691.81
Debt Service	$0.00	$51.71	$51.62	$53.58	$47.30	$49.21	$342.52	$595.94	$288.23	$884.17
Total Capital Budget	**$494.76**	**$548.63**	**$732.34**	**$686.83**	**$641.40**	**$591.40**	**$4,139.66**	**$7,340.26**	**$1,689.29**	**$9,524.31**

Capital Projects Impact Analysis on Operating Budget FY 2017 – FY 2022

Capital Improvements Funded By SEPTA Capital Program

	Estimated Operating Impact per Year: Cost Savings / (Cost Increase) - In Thousands					
Capital Projects and Description of Impacts	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**FY 2022**
Hybrid Bus Purchase Program	**$1,709**	**$2,065**	**$2,659**	**$3,225**	**$3,875**	**$4,908**
In 2002, SEPTA began purchasing hybrid diesel-electric buses designed to reduce fuel consumption and SEPTA's carbon footprint through lower emissions. In 2016 SEPTA completed the acquisition and delivery of 275 new 40-foot and 60-foot hybrid buses. In 2017, SEPTA will begin taking delivery of another 525 40-foot hybrid buses. By 2022, more than 95 percent of SEPTA's bus fleet will be hybrid. SEPTA is actively pursuing emission reduction credits to monetize the value of NOx reductions associated with the 275 new 40-foot and 60-foot hybrid buses. The approximately 285.65 tons of NOx reductions associated with these vehicles is worth an estimated $200,000 one-time payment based on current market prices for NOx credits in the Philadelphia region. SEPTA will pursue credits for the next 525 hybrid buses following delivery.						
Battery-Electric Bus Program	**$75**	**$151**	**$499**	**$615**	**$615**	**$615**
In 2016, SEPTA received a $2.6 million grant from the Federal Transit Administration to aid in the purchase of 25 Proterra Catalyst Zero Emission buses. These all-electric buses will be used to service South Philadelphia Bus Routes 29 and 79 and are scheduled for delivery in calendar year 2017-2018. The Proterra buses feature regenerative brake systems, which save both energy and brake linings by capturing energy that would otherwise be lost and stores it as electricity in the onboard battery. As a result of utilizing electricity to power the buses rather than diesel fuel, the cost per mile decreases significantly (from $0.63 to $0.15 per mile) which may generate savings exceeding $365,000 annually. In addition, SEPTA is actively pursuing emissions reduction credits to monetize the value of environmental attributes associated with both SEPTA's existing 38 trackless trolleys and 25 forthcoming battery-electric buses. The credits associated with these 63 all-electric, no-emission vehicles is estimated at a total of $250,000 annually based on current market prices for applicable emission reduction credits.						
LED Conversion Projects	**$88**	**$84**	**$96**	**$106**	**$106**	**$106**
SEPTA is currently retrofitting rail cars with Light Emitting Diode (LED) lighting, reducing ongoing labor and material expenses while improving energy efficiency and the customer experience. Conversion of the Market-Frankford Line cars with the new fixtures is already underway. SEPTA is also retrofitting maintenance facilities and rail stations with LED lighting. In addition to benefiting from lower energy expenses, SEPTA has also received rebates from PECO via the Smart Ideas energy efficiency programs associated with Pennsylvania Act 129.						

Capital Projects Impact Analysis on Operating Budget FY 2017 – FY 2022

Capital Improvements Funded By SEPTA Capital Program

	Estimated Operating Impact per Year: Cost Savings / (Cost Increase) - In Thousands					
Capital Projects and Description of Impacts	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**FY 2022**
Recycling Program	**$180**	**$200**	**$200**	**$200**	**$200**	**$200**
SEPTA has begun a refresh of its recycling program, which has been in place to divert recyclable municipal solid waste at passenger stations and employee facilities since 2011. Since then SEPTA has consistently improved diversion, and as a result, increased waste disposal savings. The success of the program can be largely credited to employee engagement and an expanded internal recycling program at maintenance facilities and depots. The purpose of the refresh is to continually improve compliance rates in anticipation of greater cost savings in the future. The refresh will focus on new lidded recycling containers on passenger platforms on the SEPTA rail transit and Regional Rail system as well as strategic installation of new recycling compactors to further reduce operating costs.						
Video Surveillance	**$19,300**	**$19,300**	**$19,300**	**$19,300**	**$19,300**	**$19,300**
SEPTA has purchased and installed more than 20,000 cameras on vehicles and at stations. These cameras have been used in conjunction with a partnership between SEPTA and the City of Philadelphia District Attorney"sOffice to reduce fraudulent claims on the system. Compared with 2012, SEPTA"spayouts on claims have been reduced by $19.3 million per year. Savings are expected to continue in future years.						
Revenue Locomotive Replacement Program	**$0**	**$0**	**$406**	**$464**	**$464**	**$464**
In July 2015, a contract was awarded to Siemens Industry Inc., for thirteen ACS-64 locomotives with an option for up to an additional five. Delivery of these vehicles is expected in 2018. These locomotives feature regenerative braking, which enables energy from the train"s slowing down to be fed back to the power system for use by other trains. The new locomotives" regenerative braking capability is expected to reduce electric power use by approximately 3% (as compared to a comparable fleet without regenerative braking). At $0.0859 / kWh that equals up to $464,000 per year in potential power savings once the locomotives are delivered and in operation.						
Maintenance Locomotive Re-Power Program	**$17**	**$23**	**$23**	**$23**	**$23**	**$23**
SEPTA recently repowered one of its diesel-powered maintenance locomotives, and is in the midst of repowering a second. Funded by two competitively awarded federal grants, the repower projects will reduce fuel consumption and improve air quality by utilizing state-of-the-art technology to synchronize power output and demand. Assuming a 40 percent reduction in diesel fuel consumption (based on GenSet technology or equivalent), this project will reduce diesel fuel consumption by 12,556 gallons annually (6,278 each).						

Capital Projects Impact Analysis on Operating Budget FY 2017 – FY 2022

Capital Improvements Financed Outside of SEPTA Capital Program

	Estimated Operating Impact per Year: Cost Savings / (Cost Increase) - In Thousands					
Capital Projects and Description of Impacts	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**FY 2022**
Energy Retrofits – Facilities & Railcars	**$116**	**$116**	**$116**	**$116**	**$116**	**$116**
In FY2016, SEPTA began to implement an $18.2 million energy efficiency retrofit in partnership with Constellation NewEnergy, Inc. at five major vehicle maintenance facilities (Berridge, Courtland, Fern Rock, Germantown, Southern) and on five railcar fleets (B-IV on Broad Street Line, N-5 on Norristown High Speed Line, Silverliner IV, V and Push-Pull on Regional Rail Lines). The energy retrofit project is budget neutral / cash flow positive pursuant to the PA Guaranteed Energy Savings Act (GESA). Energy savings will more than pay for the project over a period of 17 years. Installation of retrofits is anticipated to be complete by the end of FY2017.						
Wayside Energy Storage Program Buildout	**$350**	**$700**	**$700**	**$700**	**$700**	**$700**
In FY2016, SEPTA, Viridity Energy, and Constellation executed a partnership to install of 8.75 MW of battery capacity to capture, store, and reuse energy created by the regenerative braking systems on the Market-Frankford Line and Broad Street Line cars. The batteries will also be used to participate in the PJM Interconnection's Frequency Regulation revenue market. The partnership will be budget neutral / cash flow positive and build upon the existing 1.8 MW of battery capacity SEPTA has already installed on the Market-Frankford Line. Combined, the 10.55 MW of battery capacity could generate $700,000 per year in energy savings and new revenue for SEPTA. Installation is anticipated to be complete by the end of FY2017.						
Midvale Combined Heat & Power (CHP) Plant	**$0**	**$0**	**$500**	**$550**	**$600**	**$650**
SEPTA is in the process of pursuing an 8.6 MW combined heat and power (CHP) plant at the Midvale Complex in North Philadelphia. The CHP plant is being designed to provide base load propulsion power to Regional Rail at the Wayne Junction Substation, base load electrical power for the Midvale Bus Maintenance Facility, and heating load for the surrounding facilities. The CHP plant is in the investment grade audit (IGA) phase pursuant to the Guaranteed Energy Savings Act (GESA) and is expected to be budget neutral / cash flow positive upon implementation.						

Glossary of Acronyms

A
ADA - The Americans with Disabilities Act of 1990
ADEA - Age Discrimination in Employment Act of 1967
AGM - Assistant General Manager
AIRS - Automated Itinerary and Reporting System
APTA - American Public Transportation Association
ARRA - American Recovery and Reinvestment Act of 2009
ATDS - Automated Train and Crew Dispatch System
AVL - Automatic Vehicle Locator

B
BASCSC - Building a SEPTA Customer Service Culture
B-IV Car - Heavy Rail Vehicle used on the Broad Street Subway
BMWE - Brotherhood of Maintenance of Way Employees
BRC - Brotherhood of Railway Carmen
BRS - Brotherhood of Railway Signalmen
BSL - Broad Street Line
BSS - Broad Street Subway

C
CARD - Computer Aided Radio Dispatch
CCT Connect - Customized Community Transportation Services
COBRA - Consolidated Omnibus Budget Reconciliation Act
CSX - CSX Corporation, a freight railroad and transportation company
CTD - City Transit Division

D
DGM - Deputy General Manager
DBE - Disadvantaged Business Enterprise
DVRPC - Delaware Valley Regional Planning Commission

E
EMU - Electric Multiple Unit
EEO/AA - Equal Employment Opportunity / Affirmative Action
ERM - Enterprise Risk Management

F
FELA - Federal Employers' Liability Act
FHWA - Federal Highway Administration
FICA - Federal Insurance Contributions Act
FLSA - Fair Labor Standards Act
FMLA - Family and Medical Leave Act
FOTP - Fraternal Order of Transit Police
FRA - Federal Railroad Administration
FRT - Frontier Division
FTA - Federal Transit Administration
FTC - Frankford Transportation Center
FTE - Full-Time Equivalent Position

G
GASB - Government Accounting Standards Board
GFOA - Government Finance Officers Association
GIS - Geographic Information System
GM - General Manager

H
HIPAA - Health Insurance Portability and Accountability Act of 1996
HRIS - Human Resources Information System
HRSC - Human Resources Service Center
HVAC - Heating, Ventilation and Air Conditioning Systems

I
IAMAW - International Association of Machinists and Aerospace Workers
IBEW - International Brotherhood of Electrical Workers
IBT Local 500 - International Brotherhood of Teamsters Local 500
ITS - Intelligent Transportation Systems
ISRP - Infrastructure Safety Renewal Program

J
JARC - Job Access and Reverse Commute Program
JHSC - Joint Health and Safety Committee

K
KTFC - Keystone Transportation Funding Coalition

L
LEED - Leadership in Energy and Environmental Design
LRV - Light Rail Vehicle
LSC - Location Safety Committee
LUCY - Loop Through University City.

M
MDBE - Minority or Disadvantaged Business Enterprise
MDBF - Mean Distance Between Failures
MDT - Mobile Data Terminal
M-IV - Heavy Rail Vehicle used on the Market-Frankford Subway-Elevated Line
MPC - Management Planning and Control Operating Budget Software
MPO - Metropolitan Planning Organization
MFSE - Market-Frankford Subway-Elevated
MRDG - Metropolitan Rail Discussion Group
MSHL - Media-Sharon Hill Line

N
N5 Car - Rail Vehicle used on the Norristown High Speed Line
NHSL - Norristown High Speed Line
NJT - New Jersey Transit
NPT - New Payment Technology
NTP - Notice to Proceed

O
OEM - Original Equipment Manufacturer

P
PCC Car - President's Conference Committee streetcar or trolley
PIP - Performance Improvement Program
PLRB - Pennsylvania Labor Relations Board
PPTA - Pennsylvania Public Transportation Association

R
RFP - Request for Proposal
RRD - Regional Railroad Division
RRT - Railroad Retirement Taxes
RSA - Route Schedule Adherence

S
SAC - SEPTA Advisory Committee For Accessible Transportation
SAFETEA-LU - Safe, Accountable, Flexible, Efficient Transportation Equity Act
SAM - Supervisory, Administrative and Management
SBA - Special Board of Adjustment
SDBE - Small or Disadvantaged Business Enterprise
SDBU - Small and Disadvantaged Business Utilization
SEPTA - Southeastern Pennsylvania Transportation Authority
SMART UTU 61 - United Transportation Union Local 61, Conductors and Assistant Conductors
SMWIA - Sheet Metal Workers International Association
SRP - Shared Ride Program
SRPAC - Shared Ride Program Advisory Council
SPP - Subsidy Per Passenger
SSPP - System Safety Program Plan
STD - Suburban Transit Division is a combination of Victory and Frontier Divisions

T
TCRP - Transit Cooperative Research Program
TCU - Transportation Communication International Union
TIP - Transportation Improvement Program
TEA-21 - The Transportation Equity Act for the 21st Century
TMA - Transportation Management Association
TPC - Transport Workers Union Local 234, Trenton-Philadelphia Coach Division
TWU Local 234 - Transport Workers Union Local 234
TWU Local 290 - Transport Workers Union Local 29
TWU 2013 - Transport Workers Union Local 2013

U
UCP - PA Unified Certification Program
USERRA - Uniformed Services Employment and Reemployment Rights Act of 1994
UTU Local 1594 - United Transportation Union Local 1594 – Victory Division Operators

V
VIC - Victory Division
VMIS - Vehicle Maintenance Information System
VOH - Vehicle Overhaul Program

A

Americans with Disabilities Act of 1990 - This federal act requires many changes to transit vehicles, operations and facilities to ensure that people with disabilities have access to jobs, public accommodations, telecommunications, and public services, including public transit.

Accessible - As defined by FTA, a site, building, facility, or portion thereof that complies with defined standards and that can be approached, entered, and used by persons with disabilities.

Accessible Service - A term used to describe service that is accessible to non-ambulatory riders with disabilities. This includes fixed-route bus service with wheelchair lifts or ADA Paratransit service with wheelchair lift equipped vehicles.

Accrual Basis - A basis of accounting in which expenses are recognized at the time they are incurred and revenue is recognized when earned, as opposed to disbursed or received.

ADA Paratransit Service - In accordance with the Americans with Disabilities Act (ADA), SEPTA provides comparable service for people with disabilities who are functionally unable to use regular accessible fixed-route bus service for some or all of their transportation needs. Eligible individuals can travel whenever and wherever buses operate in SEPTA's five-county service region. See also ~~"C~~CT Connect".

Amtrak - Service Mark of the National Railroad Passenger Corporation and subsidiaries. Primarily provides nationwide intercity passenger railroad service.

B

Balanced Budget - A budget in which expected revenues equal expected expenses during a fiscal period. SEPTA's enabling legislation requires the Board of Directors to adopt a balanced budget before the beginning of each fiscal year.

Blue Line - See ~~"M~~arket-Frankford Subway-Elevated"

Broad Street Line - A rapid transit subway running under Philadelphia's main north-south street. The Broad Street Subway opened in 1928 with several extensions over the years. A spur under Ridge Avenue to 8th and Market Streets opened in 1932. Also referred to as the BSL, BSS and ~~"O~~range Line".

Budget - A plan of financial activity for a specified period of time indicating all planned revenues and expenditures for the budget period.

Bus - A transit mode comprised of rubber tired passenger vehicles operating on fixed routes and schedules over roadways. Vehicles are powered by diesel, gasoline, battery or alternative fuel engines contained within the vehicle.

C

Capital Expenditure - Expenses that acquire, improve, or extend the useful life of any item with an expected life of three or more years and a value of more than $5,000, e.g., rolling stock, track and structure, support facilities and equipment, and stations and passenger facilities. SEPTA includes capital expenditures in the Capital Budget, which is published separately from this document.

Car-Mile - A single mile traveled by either a single vehicle or a single rail car in a multiple car consist.

CCT Connect - SEPTA Customized Community Transportation (CCT) provides paratransit service — CCT Connect — to individuals with disabilities and senior citizens. In addition, SEPTA's bus fleet is 100% accessible.

CMAQ (Congestion Mitigation/Air Quality) Program - A federal grant program in which FHWA funds are transferred to FTA for transit projects designed to improve air quality and reduce traffic congestion.

Commuter Rail - Local and regional passenger train operations between a central city, its suburbs and/or another central city. It may be either locomotive-hauled or self-propelled, and is characterized by multi-trip tickets, specific station-to-station fares, railroad employment practices and usually only one or two stations in the central business district. Also referred to locally as Railroad, Regional Rail and RRD.

Contributed Capital - Reflects capital grants received for the acquisition of fixed assets. Assets acquired with grants are depreciated over the estimated life of the applicable asset. Contributed Capital is reduced by the amount of applicable depreciation amount.

Cost Per Mile - Operating expense divided by vehicle miles for a particular program or in total.

Cost Per Passenger - Operating expense divided by ridership for a particular program or in total.

D

Deadhead - The miles and hours that a vehicle travels when out of revenue service. Deadhead includes leaving or returning to the garage or yard facility; or changing routes and when there is no expectation of carrying revenue passengers. However, deadhead does not include charter service, operator training or maintenance training.

Debt Service - The payment of interest on and the repayment of principal on long term borrowed funds according to a predetermined payment schedule.

Deficit - The amount by which revenue and subsidy falls short of expenses during a given accounting period.

Delaware Valley Regional Planning Commission - The area-wide agency, or Metropolitan Planning Organization (MPO), charged with the conduct of the urban transportation planning process. It is also the single, region-wide recipient of Federal funds for transportation planning purposes. Together with the state, it carries out the planning and programming activities necessary for Federal capital funding assistance. The MPO is designated by agreement among the various units of local government and the governor.

Depreciation and Amortization - The charges that reflect the loss in service value of the transit agency's assets. Depreciated items have a high initial cost and a useful life of more than one accounting period. In order to account for the reduction in value (usefulness) of this type of asset, a portion of the cost is expensed each year of the asset's life.

E

Enterprise Funds - Funds to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

F

Farebox Revenue - Revenues obtained from passengers and other fare subsidies except the state reduced fare subsidy program. Farebox revenue is also referred to as Passenger Revenue.

Fares - The amount charged to passengers for use of various services.

Fast Act – Fixing America's Surface Transportation Act. Passed by Congress and signed into law by President Obama on December 7, 2015, providing long-term federal funding for critical transportation needs

Fiscal Year - SEPTA's fiscal year runs from July 1 through June 30.

Fixed Guideway - A mass transportation facility using and occupying a separate right-of-way or rail for the exclusive use of mass transportation and other high occupancy vehicles; or using a fixed catenary system useable by other forms of transportation.

Fixed Route Service - Service provided on a repetitive, fixed-schedule basis along a specific route with vehicles stopping to pick up and deliver passengers to specific locations; each fixed-route trip serves the same origins and destinations, unlike demand responsive and taxicabs.

Flexible Funds - Federal funds made available by MAP-21 that can be used for various transportation projects, including both highway and mass transit projects. Allocation of these funds is at the discretion of regional Metropolitan Planning Organizations (MPOs) and state governments.

Federal Transit Administration - The FTA is the federal agency which provides financial assistance to cities and communities to provide mobility to their citizens.

Fringe Benefits - Payments or accruals to others (insurance companies, governments, etc.) on behalf of an employee and payments or accruals direct to an employee arising from something other than the performance of a duty. These payments are costs over and above ~~"l~~abor" costs, but still arising from the employment relationship.

Full-Time Equivalent Position (FTE) - A measurement equal to one staff person working a full schedule for one year.

Fully Allocated Costs - The distribution of operating expenses to each mode by type of service and function. Fully allocated costs account for all direct costs plus the assignment of any joint or shared expenses.

Funding Formula - A specific formula used to determine a subsidy level.

G

Government Finance Officers Association Mission Statement (GFOA)

The purpose of the Government Finance Officers Association is to enhance and promote the professional management of governments for the public benefit by identifying and developing financial policies and best practices and promoting their use through education, training, facilitation of member networking, and leadership.

Green Line - See "Subway-Surface Lines"

H

Headquarters Allocation - A method used to allocate the costs associated with operation and administration of SEPTA's headquarters division to the other four operating divisions.

Headway - Time interval between vehicles moving in the same direction on a particular fixed route.

Heavy Rail - A transit mode that is an electric railway with the capacity for a heavy volume of traffic It is characterized by high speed and rapid acceleration passenger rail cars operating individually or in multi-car trains on fixed rails; separate rights-of-way from which all other vehicular and foot traffic are excluded; sophisticated signaling, and high platform loading.

Heavy Rail Cars - Rail cars with motive capability, driven by electric power taken from overhead lines or third rails, configured for passenger traffic and usually operated on exclusive rights-of-way.

Hybrid Bus - A bus that is powered by a combination of electricity and diesel, gasoline or alternative fuel.

I

Infrastructure - The physical assets of the Authority, e.g., rail lines and yards, power distribution, signaling, switching, and communications equipment, passenger stations, information systems, and roadways, upon which the continuance and growth of transit depend.

Intelligent Transportation Systems (ITS) - The application of advanced sensor, computer, electronics, and communication technologies and management strategies in an integrated manner to increase the safety and efficiency of the surface transportation system. ITS is a national effort designed to promote the use of advanced technologies in multimodal transportation.

Interest Expense - The charges for the use of borrowed capital incurred by the transit agency, including interest on long term and short term debt obligations.

L

Leases and Rentals - The payments for the use of capital assets not owned by the transit agency.

Light Rail - A transit mode that typically is an electric railway with a lighter volume traffic capacity compared to heavy rail. It is characterized by passenger rail cars operating individually or in short, usually two car trains on fixed rails on shared or exclusive right-of-way; low or high platform loading; and vehicle power drawn from an overhead electric line via a trolley pole or a pantograph.

Light Rail Car - A rail car with motive capability, usually driven by electric power taken from overhead lines, configured for passenger traffic and usually operating on non-exclusive right-of-way. Also known as ~~s~~treetcar," ~~t~~rolley car" and ~~t~~rolley".

Linked Trip - A single, one-way trip without regard for the number of vehicles boarded to make the trip (i.e., a home-to work trip taken by boarding a bus, to a train, to another bus represents one linked trip or three unlinked trips).

M

Market-Frankford Subway-Elevated - The Market-Frankford Line runs on an elevated guideway from the Frankford Transportation Center in Northeast Philadelphia, through Center City Philadelphia as a subway, and continuing on an elevated guideway above Market Street in West Philadelphia into 69th Street Terminal in Upper Darby, Delaware County. Also referred to as the Market Street Elevated (MSE), MFSE and ~~B~~lue Line"

Mean Distance Between Failure – A measure of vehicle availability and reliability, equal to the average distance between failures for all vehicles within a particular mode.

N

Net Assets - Total assets minus total liabilities of the Authority. This term is used in SEPTA's annual financial statements.

Non-Revenue Vehicle - A single vehicle or a single car in a multiple car consist during which the vehicle is not in revenue service (i.e., picking up and/or dropping off passengers).

O

Operating Assistance - Financial assistance for transit operations (as opposed to capital) expenditures.

Operating Budget - The planning of revenues and expenses for a given period of time to maintain daily operations.

Operating Ratio - Operating revenue divided by operating expense. For this purpose, the Commonwealth has defined operating revenue to include Passenger Revenue, Shared Ride program revenue, Investment Income, Other Income and Route Guarantees. Also for this purpose, the Commonwealth excludes Depreciation from operating expenses.

Orange Line – See ~~B~~road Street Line"

P

Passenger Miles - The cumulative sum of the distance ridden by each passenger.

Public Transportation - As defined in the Federal Transit Act, transportation provided by bus or rail, or other conveyance, either publicly or privately owned, providing to the public general or special service (but not including school buses or charter or sightseeing service) on a regular continuing basis. Public transportation is also synonymous with the terms mass transportation and transit.

R

Revenue Car Mile or Revenue Vehicle Mile - A single mile traveled by one car (or vehicle) during which the vehicle is in revenue service (i.e., picking up and/or dropping off passengers).

Revenue Vehicle - A single vehicle or a single car in a multiple car consist during which the vehicle is in revenue service (i.e., picking up and/or dropping off passengers).

Reverse Commute - City to suburb commute. This phrase refers to the fact that most riders commute from the suburbs to the city.

Ridership - Each passenger counted each time that person boards a vehicle. See also unlinked passenger trips.

Rider Report Card - This Customer Satisfaction Survey is an annual survey and associated report conducted by SEPTA in the fall of each year. More than 3,000 fifteen minute interviews are conducted with riders and non-riders in the SEPTA operating region, covering 22 service delivery attributes. The associated reports are generated with 95% confidence and have been in use to track SEPTA service delivery for six years.

Rolling Stock - Public transportation vehicles including commuter rail cars, locomotives, rapid transit cars, light rail cars, trolleybuses, buses, and vans.

Route Mile - A one-mile segment of a given fixed route in a fixed route network.

S

Shared-Ride Program - The Shared-Ride program is a door-to-door, advance-reservation, ride-sharing service, offered to senior citizens 65 years of age and residents of Philadelphia. This service can be used to travel within the City of Philadelphia and to any location in the surrounding counties within three miles of the City's border. Pennsylvania's Lottery Fund contributes to the cost of operating this program.

Silverliner - A multiple unit self-propelled railroad passenger car, powered by electricity collected from overhead catenary wires. The Silverliner fleet was acquired over time and currently consists of two vehicle types—Silverliner IV and V. These railroad cars feature stainless steel construction and represent the majority of SEPTA's railroad fleet.

Streetcar - See ~~T~~rolley"

Subsidy - Funds received from another source that are used to cover the cost of a service or program that is not self-supporting.

Subway-Surface Lines - A combination of five trolley lines serving various neighborhoods in West Philadelphia or nearby suburban communities above ground, reaching Center City Philadelphia through a subway tunnel partially shared with the Market-Frankford Line.

Surplus - The amount by which revenue and subsidy exceeds total expenses during a given accounting period.

T

Total Vehicle Miles - The sum of all miles operating by passenger vehicles, including mileage when no passengers are carried.

Trackless Trolley - See ~~"T~~rolleybus"

Trapeze - Software utilized by SEPTA for scheduling and management of transportation operations.

Trolley - A powered rail car, usually driven by electric power drawn from overhead wires via a trolley pole or pantograph. The vehicle usually operates on shared rights-of-way. Also known as ~~"tr~~olley car," ~~"s~~treetcar" and ~~"li~~ght rail car".

Trolleybus - An electric, rubber-tired transit vehicle, manually steered, propelled by a motor drawing current through overhead wires from a central power source not on board the vehicle. Also known locally as ~~"T~~rackless Trolley" or ~~"T~~rolley Coach."